

THE SOCIOLOGY OF HUMAN CAPITAL

BY

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DAMAGED

TEXT

IN

ORIGINAL

IN THE PRISON OF HIS DAYS,
TEACH THE FREE MAN HOW TO PRAISE.

W. H. AUDEN

A B S T R A C T

The thesis attempts to create an economic sociology by deriving the implications, for social theory, of the concept of human capital. Human capital formation is the rationalized skill formation of industrial society, an indispensable element in the emergence of a liberal individualist order. In pre-industrial society skill formation was generally of a non-market kind, and its relatively static character partly explains the unspecialized division of labour and the coercive control-structures of agrarianism. In advanced society, human capital formation is a central part of a relatively voluntarist structure of economic action which both creates and requires the deeply consensual nature of modern capitalism. Differentially distributed human capital formation is the basis of the complex occupational structure, itself the main social hierarchy under capitalism. Above all human capital formation implies the active individual, the recognition of the existence of a realm of private action.

The principles of hierarchy under capitalism involve open-ness and scarcity. Capitalist hierarchies are gradualist, unlike the dichotomous hierarchies of corporatist societies such as slavery, feudalism or modern socialism. Nevertheless human capital formation can be associated

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with corporatist social relations as is the case with the high professions of law and medicine.

The Marxist critiques both of capitalism and human capital theory are based on a false analysis of the relationship between power and property and on a false theory of ideology. The application of the untenable theories of Marxism is a source of the despotic nature of modern socialism, which tends to a relatively classless tyranny. However, human capital formation is an indispensable element in the process of rationalization and socialist societies have been unable to suppress fully the social stratification which differentially distributed human capital formation creates.

In advanced capitalist society the key function of education systems is human capital formation. However because of the removal of such education systems from market principles this key function is inhibited. The system encourages middle-class intellectual consumerism and alienates working-class children to whose instrumental view of work curricular consumerism is foreign.

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INTRODUCTION

We flatter ourselves, complacently, that we live in an era of light and science; when the real truth is that we are still bogged down in the most rudimentary and infantile forms of intellectual endeavour.

Teilhard de Chardin

The phrase "socio-economic" is one of the most frequently encountered epithets in the literature of the social sciences. Strangely, it does not derive from a recognised noun phrase. That is to say that there is as yet no field of study which attempts to bring to bear on human behaviour, the simultaneous and integrated insights of sociology and economics.

There have been certain scholars who produced major work in sociology and in economics, for example, Marx and Pareto. However, there exists in the contemporary borderlands between the two disciplines, no large, well-articulated body of knowledge and theory such as one finds, for example, in social psychology. It may be doubted whether this gap is explicable in terms of the mutual hostility between some economists and sociologists, though undoubtedly such hostility does obtain; a similar hostility is at times apparent between psychology and sociology. Nor can the gap be explained in terms of the intellectual disparity between economics and sociology, since although economics is more developed than sociology, the same disparity exists between

psychology and sociology. The greater formal development of the former has not prevented its being combined with the latter in social psychology.

There are difficulties in the decision as to what to call interdisciplinary work in sociology and economics. "Social economics" is no good, since it is the name for the area where economics and social administration overlap. I have decided on "socio-economy" because it sounds very different from "social economics" and has some of the flavour of the long established (and reviving) "political economy". If international example will serve, the reader will be interested to know that although I conceived of the term "socio-economy" independently, I attended a conference at the State University of Mons in Belgium in April 1978, at which one of the papers presented bore the title: "Le Point de la Recherche en Socio-Economie de l'Enseignement". (1)

Whether one refers to "socio-economy" or "economic sociology", there are vast possibilities for intellectual cross-fertilization between economics, sociology, psychology, history, and so on. George Psacharopoulos refers to the gap between virtuous intention to proceed in an interdisciplinary way and practical failure to do so. (2) He himself is notable, as a leading educational economist, for having interested himself in certain sociological questions and modes of analysis. (3)

In this thesis, an attempt is made to derive the sociological implications of one of the most important developments of neo-classical economics of recent decades,

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namely, human capital theory. Inevitably the thesis contains considerable historical material none of which, I hasten to add, is based on original research. There is also running through the thesis, I hope by way of a unifying thread, the following philosophical question: what are the socio-economic conditions of a "free" society? In the remainder of this introductory chapter, I shall outline some of the main areas of discussion.

It is often claimed against the neo-classical tradition in economics that it is too remote from social reality to have much explanatory power. Thus, for example, neo-classicists are held in contempt for their inability to explain the distribution of wealth and income by social class.⁽⁴⁾ This criticism is misconceived, in that although traditional text-book price theory comprises a most formidable set of analytic techniques (can the recent massive rise in oil prices be better conceptualized than in terms of large leftward shifts in supply in the face of inelastic demand?), social class is not numbered amongst its explanatory variables. Moreover, I would like to suggest that the deficiency is the other way round, and that sociology has much to gain from the insights of human capital theory -- a highly developed branch of modern economics solidly within the neo-classical paradigm.

In his An Introduction to the Economics of Education, Mark Blaug insists that the economics of education has a potentially protean contribution to make to economic analysis. There are many branches of economics which can be enlivened

by the insights of human capital theory, and indeed the economics of education "shades off imperceptibly into labour economics, public sector economics, welfare economics, growth theory and development economics". (5)

The argument of this thesis, is that human capital theory is also rich in sociological potential. The widening of the concept "capital", effected by human capital theory, seems to me to have huge implications for such questions as social control, social stratification, the occupational structure and comparative social systems. Much sociology suffers, I believe from a fixation on what Peter Wiles calls "Marxist and Victorian" notions of property and capital. (6) This thesis is a preliminary attempt to redress the balance here. It is not an empirical work. Rather it is an attempt to discover how certain major sociological questions might be reconceptualized, initially, in the light of the huge theoretical and empirical work done within the theory of human capital in recent decades. (7) Let us first make clear what we understand by "human capital".

The basic similarities between physical and human capital are by definition economic. Capital may be considered a fit name for any asset which both incurs costs, and yields a flow of income or other returns over time. (8) The rationale for applying the concept "capital" to human beings, has been the growing awareness in recent decades of the increasing differentiation and heterogeneity of labour.

Human capital is investment in human beings making them more productive. The investment may take many forms. It may consist in education or training, in health-treatments, in migration or in job search. Whatever the nature of the investment, from the individual point of view, human capital is the capitalised value (i.e. the present net value) of any productivity the individual may derive from his education, training and so on. This capitalised value is equal to the present value of the stream over time of pecuniary and non-pecuniary benefits flowing from the activity (decisions with regard to education, training, migration and so on) minus the present value of the over time stream of costs to him of acquiring it.

There have been at times objections among economists to the concept human capital,⁽⁹⁾ but human capital theory has now gathered what is probably an irresistible momentum. It seems to me, indeed, that one could not really expect to find in an industrialised economy, possessing universal education and health systems, good examples of "brute" labour, embodying no human capital formation whatsoever. "Raw labour" should perhaps be considered ideal typical. Such a notion may be useful for analytical purposes but has no empirical reality.

The real difficulty is not the explanatory power of human capital as a concept but its amenability to measurement. The economist will probably have to settle for the realisation that he can measure only part of the total formation of human

capital. This is partly because the theory of human capital is entangled in the nature versus nurture debate and partly because of the co-existence of different sources of human capital formation. The idea of indentifying the educational and medical and migration components in a person's life-time earnings, for example, summons up problems of horrendous complexity. It will perhaps never be possible to measure the total accumulation of human capital in society though in my view this does nothing to diminish the validity of "human capital" as a concept. (10)

That there should be strong affinities (more significant than the distinctions) between physical and human capital, is a logical condition of the latter concept. There are, however, significant differences between the two, and indeed a second's reflection will bring to mind the more intangible, more abstract nature of human as opposed to physical capital.

To begin with, though both forms of capital give rise to income, human capital can do so only if its possessor works. The human capitalist therefore stands in an active relationship to the income from his investment, whilst the physical capitalist may stand in a passive relationship. There are obvious grounds for believing this distinction ideologically significant. Thus qua human capitalist, a man cannot be a rentier.

Next, human capital is less closely linked to single distinct processes than is physical capital. A machine may have many productive functions, but these are always amenable

to specification. By contrast, the context of human capital operation is obviously an area for very fine investigation. For example, the professional man may perform actions during his work which do not relate to the "skill" which his human capital involves. We shall discuss this issue in our chapter on the professions.

A further distinction between these two forms of capital, is that human capital formation is more intimately connected with costless (i.e. non-economic) stocks of culture and attitude than is the case with more orthodox capital. For example, one crucial determinant of human capital formation is language. One cannot precisely define the role of language in education, training and so on, but at least there is no doubt that language is the key variable in the process of concept and skill acquiring. Neither is there much doubt that certain language forms are beneficial to those whose social milieu employs them, relative to other language forms. (11) The important point, economically, is that much (probably most) of the language involved in human capital formation, in the initial stages is costless. Only a conscious deployment of language by a child's parents, siblings and acquaintances, in order to foster his cognitive-dexterous development, where the time consumed is deliberately traded against other, remunerative uses of scarce time, really qualifies for the epithet "costs". It may reasonably be posited that such trade-offs are probably rare. By contrast, the role of language in physical capital

accumulation seems imponderable. I am not arguing that there are no links between linguistic and cultural stocks and physical capital formation. Obviously there must be; but the connection seems less central than is the case in human capital formation where, for example, educational achievement is so significant.

The American sociologist, Jonathan Kelley,⁽¹²⁾ following on the work of the French scholars, Bernard and Renaud,⁽¹³⁾ has wished to locate "education" as an "inclusive" good, that is to say one which families can bestow on their children, without depriving themselves. Inclusive goods are distinguished from "exclusive" goods -- those such as capital and land, which cannot be given to another, without the donor depriving himself. This, like so many "economic" distinctions made by sociologists, is quite false. Insofar as education involves individual or collective decisions to incur costs (such as direct educational expenditures, or indirect costs such as foregone earnings) then opportunity costs are involved, and the inclusive/exclusive distinction breaks down. That part of a person's education which is embraced by an economic calculus constitutes an "exclusive" good.

An especially important distinction between physical and human capital is that in industrialised societies at least, the latter is much more evenly distributed in the population than is the former. Relatively few people own much property in industrialised societies. However suspect the available figures for wealth and distribution may be,

they all show that at least industrial property is concentrated in relatively few hands. ⁽¹⁴⁾ By contrast virtually all citizens in complex societies are involved in universal education and health systems. This is not to argue that the sole, or even principal, function of education and medicine is private or social human capital formation. I am asserting only that these activities do increase and protect labour productivity. Labour productivity may similarly be enhanced by migration (a common phenomenon in advanced society) and by job search. Participation in these activities is more widespread than the ownership of tangible capital. This distributional distinction, it will be argued later, is of extreme significance for class theory and for the ruling class versus pluralism debate in the sociology of government. It is heavily loaded with implications. It may help to explain why in industrialised societies income is invariably more evenly distributed than wealth. (There are obviously many other reasons -- changes in the capital/labour ratio, progressive income tax, etc.)

However, despite the greater equality of distribution of human than of physical capital, there are grounds for believing that the former imposes a stronger constraint on the achievement of greater income equality. For in reality the contribution made by property to income inequality is relatively slight in advanced economies, where most income is earned income. If all private property were expropriated and redistributed the equality benefits would be surprisingly

slight. Nor does nationalisation have immediately obvious egalitarian implications, though, since physical property is not inalienable from its owners, there is no clear logical or moral limitation on society's right to confiscate physical capital. The popular faith in the egalitarian benefits of public ownership of the means of production is rather naïf. It has never been clear to me why public ownership should be expected to increase the sensitivity of decision-makers to the public in general. Why should it reduce the law's delay, or inhibit the insolence of office? What I shall try to show in my chapters on Marxism and socialism is the massively wrong-headed analysis of the nature and effects of private property that has both characterized much critical writing on capitalist society, and informed the ambitions and policies of the Marxist state. At the crudest level, it may be claimed that the whole Marxist tradition has simply got it wrong about the economic and social effects of private physical capital. In the event, in societies where physical capital is predominantly publicly owned, there is an increase in inequality in some senses, for example in terms of the average citizen's access to information and decision-making. We shall stress this in our chapter on socialism. In capitalist society, whatever the effects of private wealth on social stratification, its effects on income distribution are simply not very great.

Human capital formation, however, contributes vastly to the unequal distribution of earned income, and there is no

conceivable way of nationalising it. (15) Its very essence is its inalienable character. In any case, as we have said, the determinants of human capital formation are enormously more problematic than is the case with physical capital formation. As should perhaps be more readily admitted, we know relatively little about educability. This means that while we may make more or less successful attempts to measure educational human capital formation, we are ignorant of many of its determinants.

From the policy point of view the significant implication here, is that we may find it very difficult to redistribute human capital more equally. Certainly adult training programmes designed to help low-paid workers do not seem to have worked in the United States; and there is little reason for thinking that "compensatory education" has been successful anywhere. It is of course true that greater knowledge of learning failure would greatly help governments attempting to change the human capital distribution. At the moment, however, we are stuck with Bernstein's epigram: "The institution is in error and/or the child is in deficit." (16) Thus while Dr. Psacharopoulos may insist that educational policies can effect a slight redistribution of the national income in favour of poorer social groups, (17) this is a long way from arguing that it is a simple matter for governments to alter the distribution of human capital in a markedly egalitarian way.

However, important though these distributional issues are, and they seem to me to show how difficult to draw is the line between social administration and socio-economic theory, my concern is a more purely theoretical sociology of human capital. Human capital theory is predicated on the idea of a widely understood calculus of scarcity and choice in relation to skill formation, on the belief that people calculate the costs and benefits of different courses of action. The individual calculus is associated with private human capital. The collective calculus is associated with social human capital. It is the sociological implications of the existence of such a calculus that I shall attempt to derive.

What I shall propose in subsequent chapters is that it is sociologically productive to distinguish two orders of capital -- the "physical capital order" and the "human capital order". These two orders may be conceived as partly over-lapping, partly separate. It will be argued that the simultaneous presence of these two orders of capital in advanced societies is associated with an immensely complex class and occupational structure. I shall attempt to construct a socio-economy of the professions which will seek to explain how certain occupational groups relate to the creation, privatization and deployment of human capital. Such a socio-economy might also aid our understanding of the extraordinary mix of consensus and conflict which characterizes modern occupational structures.

Physical and knowledge capital may be thought of as

supporting different (though partly over-lapping) class structures. The bourgeois and the proletarian are differentiated from each other by their different relations to property. However, the "raw differences" as exemplified in early nineteenth-century capitalism, are, under modern capitalism, powerfully modified by the superimposition on this structure of physical capital relationships, of another social structure related to the distribution of human capital. This latter structure is more finely differentiated (less clearly articulated) than the former. Thus the difficulties involved in "placing" modern occupations in a logically coherent class structure, reflect the coexistence of two different major sources of wealth/income, decision-making and prestige. In particular, the human capital order may be seen to have implications for the question of the differential distribution of status -- long ago identified by Weber as a crucial variable in stratification, and one notably untreated by Marxists. (This will be treated more fully in later chapters.)

I shall argue that Marxist explanations of class are unsatisfactorily predicated on the single notion of physical capital. Moreover, I would suggest that such explanations of social class and conflict present physical capital in an objectionably reified form. If one locates this concept in the practices of men (Marxists now always require us to look for men's actual practices), it will be seen that physical capital is meaningless without the invocation of human knowledge and skills. Which is primal and which epi-phenomenal

need not concern us here. What does concern us is that much learning and skill formation in modern industrial society are embraced by the human capital calculus.

A socio-economy of the middle classes (which might well develop from a study of the professions) might prove especially fascinating. It has always been rather difficult to locate this class, which is not a class in the Marxist sense. The constant and in Marxian terms, incorrect, switching from the term "bourgeois" to the term "middle class" as if they were synonymous, bears witness to the difficulty of conceptualizing the position of professional and other highly educated groups in the social relations of production. Even Marx — pace himself -- is guilty of the same fault. (18) Had he had access to human capital theory he might have abandoned his view of the middle class as a non class, the mere hangers-on of the bourgeoisie. For the middle class may now perhaps be regarded as a genuine class in relation to the human capital order. Like the bourgeoisie, the middle classes, in varying degrees create, distribute, appropriate, privatize and control capital. In their case, however, human capital formation is the source of their social class, their status, their income, their life-style. What may be called the "scientific middle class" is especially important.

Consider, for example, the concept "technology". It clearly involves the notions both of physical and human capital. There is perhaps a consensus that technology is now the main engine of socio-economic change, and in modern

economics text-books it figures as a determinant in chapters on the elementary theory of supply.⁽¹⁹⁾ I shall argue that the rise of modern technology with its comprehensive and finely differentiated demands for specialised manpower, has made the Marxist explanation of the "social relations of production" unacceptably uni-dimensional. To locate class entirely in terms of the relationship of groups to physical capital perhaps had some explanatory power in the nineteenth century. In the twentieth century, such a procedure is glaringly unhelpful.

To celebrate the kind of contribution to sociology which human capital theory might make, one might consider the political economy of J. K. Galbraith. For it is indeed an irony that such an arch-opponent of the neo-classical paradigm can be defended in terms of the very orthodoxy he rejects. His thesis that effective "power" has passed from capital (i.e. the owners of physical capital) to the technostructure,⁽²⁰⁾ can be restated: some forms of human capital formation bring greater access to decision-making to those who possess them in a "high technological age" than can derive from the mere ownership of physical capital. Galbraith is unwittingly alluding to, and effectively deriving the implications of, the proposition that modern technology is "human capital intensive". Malgré lui, he is expounding the sociological implications of human capital formation.

I shall argue later that ownership of physical capital can be a contingent form of control only, i.e. one which does

not possess any logical necessity. Furthermore, I shall throughout be hostile to the crude "power" analyses of the Marxist tradition, which attempt, first to show that coercive power (force) or manipulative power (intentional or unintentional misrepresentation) is the basis of social order under modern capitalism, and second that such "power" relates intimately to private ownership. I would argue that while power in both these senses is a real social phenomenon, it cannot constitute the total basis of social control in any society, it does not relate very obviously to private property, and is in fact less important in the case of modern capitalism than under previous social formations or alternative actual ones. While the concept "power" may be saved by its being employed in a non-"zero sum" sense, as a synonym for "discretion", where one man's power does not detract from another's (the precise opposite of the Marxist view), I judge this use to be terminologically ill-advised, though I find it ⁽²¹⁾ conceptually impeccable for the examination of much socio-economic activity. I will attempt to show that the heterogeneity of the working force, the wide variations in the distribution of human capital, must indicate the need for new approaches to sociological analysis in areas such as social stratification and the structure of decision-making. It will be a reiterated theme of this thesis, that human capital formation must be numbered among those phenomena of advanced capitalist society which have centrifugal rather than centripetal implications for the structure of decision-making. I shall seek to

refute the Marxist picture of the citizens of capitalism, as helpless, discretion-less, manipulated beings. As one who has always been wary of the over-employment of the concept of alienation -- so central to the Marxist version of the social relations of capitalist production; as one who is disposed to believe that there are large sections of the non-bourgeois population who are neither powerless nor alienated: I shall argue that the interdependence of the two separate orders of capital calls into doubt the concept of alienation. Alienation implies a deficit model of non-bourgeois man. The recognition of human capital formation confounds the impotence which is the essence of such a deficit. Human capitalists of all countries unite: you have nothing to lose but your alienation!

I must, however, explicitly disavow any commitment to the embourgeoisement thesis. Class lines may be more blurred than they were, but I see no reason for believing that large differences between social groups vis-à-vis the distribution of wealth, income, status, etc., will not persist. (22) Indeed as we have said earlier, the human human capital order may imply a radically greater obstacle to social equality than does physical property.

It has often been argued that the theory of social class is in something of a mess. In the sociology of education we are normally offered two classes only -- the middle and the working class, identified in Registrar General terms. Some Marxist influenced sociology is no more convincing here

than the conventional sociology of education it has sought to replace. Even so sophisticated a work as M.F.D. Young's Knowledge and Control rests on a distressingly simplistic view of class. (23) The very title of the book is a potential evocation of human capital theory, yet its economic scenario in so far as it has one at all, is truly crude. All that happened, as between classical Marxism and Marxian phenomenology, was that the duo bourgeois/proletarian, came to be replaced by the duo middle class/working class, with no discussion of the extremely important fact that "bourgeois" and "middle class" are not synonymous. In any case the earlier version has now reasserted itself with a vengeance.

It may be that to some degree, progress in sociological theories of occupation, of social class and of government, must await progress in our knowledge of the working of the economy. Nineteenth-and early twentieth-century sociology drew much inspiration from the dichotomy between capital and labour that sat at the heart of nineteenth-century economics. Late twentieth-century economics has irreparably shattered this dichotomy. It is time for social theory to follow suit, and this thesis is an attempt to see how sociology might absorb what Mary Jean Bowman has called the "human investment revolution in economic thought". (24) We now turn, in our first two chapters, to the key issue of the relationship between human capital formation and the structure of social control.

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3. Psacharopoulos, G. "Family background, education and achievement", British Journal of Sociology, Vol.28, no. 3, September 1977, pp. 321-335. See also his Education and Work, op. cit. especially pp. 18-20.
4. Westoby, A. "Economists and Human Capital" in Holly, D. (ed.) Education or Domination, Arrow 1974, pp.38-57.
5. Blaug, M. An Introduction to the Economics of Education, Allen Lane 1970, Introduction p.xiv.
6. Wiles, P. Economic Institutions Compared, Blackwell 1977, p.35.

7. For a compendious summary see Psacharopoulos, G. Education and Work, op. cit.
8. The late Harry Johnson argued that there is a potentially very large number of phenomena which can be analysed in "capital" terms. Johnson, H. "Towards a generalized capital accumulation approach to economic development" in Blaug, M. (ed.) Economics of Education, Penguin 1968, pp. 34-44.
9. See, for example, Bowles, S. and Gintis, H. "The Problem with Human Capital Theory.....A Marxian Critique" in American Economic Review, May 1975, pp.74-82. See also Westoby, op. cit.
10. In fact econometricians have succeeded in identifying years of education as the most important single determinant of individual income. The rejection of this connection by the Jencks research team, has been charged with faulty methodology by Dr. Psacharopoulos and Professor Wiles. See Jencks, C. et al., Inequality, Basic Books 1972, and Psacharopoulos, G. and Wiles, P. "Early Education, Ability and Earning Capacity", L.S.E. mimeo, p.2. See also Wiles, op. cit. p. 425 and p. 452.
11. Personally, I would reject the concept "cultural capital" as a misapplication of economic terminology to what are essentially non-economic stocks of aptitude and attitude. The author of this concept, Pierre Bourdieu, does not invoke a calculus of scarcity and choice such as would justify his use of the term "capital". See Bourdieu, P.

and Passeron, J. C., Reproduction in Education, Society and Culture, Sage 1977, p.30. Nevertheless the cultural phenomenon these authors are referring to is a real enough one, and I regard their view that the middle classes have cultural and linguistic advantages as more persuasive than the view that there are no deficits in working-class language and culture.

12. Kelley, J. "Wealth and family background in the occupational career: theory and cross-cultural data", in British Journal of Sociology, Vol. 29, no. 1, March 1978, pp. 95-6.
13. Bernard, P. and Renaud, J. "Contre-mobilité et effets différés: une reflexion sur la transmission des biens inclusifs et des biens exclusifs" in Sociologie et Sociétés, Fall 1976. Quoted in Kelley, op. cit.
14. Giddens, drawing on the findings of the Diamond Commission, points out that the ownership of wealth is especially concentrated in the case of industrial wealth. Giddens, A. "An Anatomy of the British Ruling-Class" in New Society, 4 October 1979, p.8. Evidently the richest 5% own 98% of privately-held corporate stocks and shares. Though these figures are of the nature of "guesstimates" as Giddens admits, and the language is vague (what does "privately-held" mean? Does it exclude or include the holdings of insurance companies?) one would not for a moment wish to query the solid findings of the Diamond Commission that the top 5% of the population owned in 1973

- more than half the national wealth, taken to include financial and physical assets (Giddens, op. cit. p.8).
15. See Wiles, op. cit. p.426. Here he identifies "education" as "personal capital" which "cannot be socialized". It is also "unequally distributed under most forms of socialism". See also A.H. Halsey's second Reith Lecture 1978, where he observes that in 1976 income from employment accounted, in Great Britain, for well over two-thirds of all income. The Listener, 19 January 1978, p.80.
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 17. Psacharopoulos, G. Education and Work, op. cit. pp. 38-39.
 18. Marx, K. and Engels, F. The Communist Manifesto in Cohen, C. (ed.) Communism, Fascism and Democracy, Random House 1972, p. 81 and p. 92.
 19. Lipsey, R. G. An Introduction to Positive Economics, Weidenfeld and Nicholson 1966, p.95.
 20. Galbraith, J. K. The New Industrial Estate, Deutsch 1972, p. 71.
 21. See Parsons, T. "On the Concept of Political Power" in Bendix, R. and Lipset, S. M. (eds.) Class, Status and Power, Routledge and Kegan Paul 1970, pp. 240-265.
 22. The very term "embourgeoisement" implies a confusion, typical of French usage, between the concepts "bourgeois" and "middle class".
 23. Young, M. F. D. (ed.) Knowledge and Control, Collier MacMillan 1971. It is notable that none of the essays in

this collection was focussed on the theoretical short-comings of the model of social stratification hitherto involved in the sociology of education. Whilst the new sociology of education has furthered the sociology of knowledge, it has quite failed to re-conceptualize the theory of stratification. This failure is perhaps what has left it so powerless in the face of the crude "structural" Marxist assault. In our last chapter, on education, we shall see how structural Marxist writings like Samuel Bowles and Herbert Gintis' Schooling in Capitalist America (Routledge and Kegan Paul 1976) have increasingly ousted the Marxian phenomenology of the early 1970's. One reason is undoubtedly the attractions of the tighter model of social class within which structural Marxism operates.

24. Bowman, M. J. "The human investment revolution in economic thought" in Blaug, M. (ed.) Economics of Education, Penguin 1968, Vol. 1, p.101.

P A R T O N E

SKILL-FORMATION AND SOCIAL CONTROL

Historically, a salary in money represents
a form of liberation.

Raymond Aron

CHAPTER ONE

HUMAN CAPITAL AND AGRARIAN SOCIETY

Oderint dum metuant

Let them hate, so long as they fear.

Lucius Accius, 176-86 BC

INTRODUCTION

The following two chapters have a marked historical flavour. The focus in both cases is on the relationship between skill formation and social control, in the first case in pre-industrial societies, and in the second in industrial capitalist society. The fascinating issue as to the connections between skill-formation and modern communist society, is left mainly to a later chapter.

I must initially state what these two chapters are not intended to be. They make no claim to being a contribution to economic history. I happen to believe that there are no determinate stages in history. In a later chapter, on modern socialism, I shall argue briefly that human capital theory can throw some light on this question. This, however, is not my concern here. Neither shall I address the question of the causal role of human capital formation in industrialization, though I am persuaded that human capital formation is of profound etiological significance.

My fundamental concern, in these pages, is to assert that variations in skill-formation, as between different

kinds of structures of economic decision-making, particularly different kinds of labour market, are associated systematically with variations in social control. My basic propositions are as follows:

1. Human capital formation may be thought of as standing on a continuum of human behaviours, conceptions and productive capacities, stretching from primitive skill formations to sophisticated and economically sensitive competencies. Skill-formations which constitute human capital, involve the intentional use of scarce resources for the enhancing, maintenance or mobilisation of human productivities, either collectively (social human capital) or individually (private human capital). The accumulations of skill and/or human capital in a society, and the socio-economic relations which they comprise and generate, may be referred to as that society's "skill order".
2. As I have already suggested, there are systematic, sociologically significant distinctions between the skill orders of pre-industrial and industrial societies. Comparably significant sociological distinctions can also be made between the skill orders of modern capitalist and socialist societies. In particular these differences in skill orders are associated with differences in the modalities of social control.
3. In broad abstraction, the structure of social control can be regarded as a tri-partite one, comprising:

(a) The administrative matrix of society, that is its structures of state and government, of regulation and compulsion, the legal system, police, and so on. To the extent that there are compulsory aspects of modern education and health systems, these too will form part of this matrix.

(b) The structure of hierarchy. This is determined by the patterns of wealth, income, expertise, knowledge, status and so on. (This preliminary list is of course only a sub-set of the factors involved.) It is important to note that the structure of hierarchy is never either synonymous with, nor fully independent of, the administrative matrix. The Marxist position is that the latter in a capitalist society must be largely the creature of the former. We shall later reject that view, and also argue in our chapter on socialism, that in modern socialist society the reverse is the case, domination of the matrix becoming a major source of hierarchy.

(c) The social value consensus. Again this connects, overlaps, with the other two elements in the structure of social control, but can never be fully collapsed into them, nor derived fully from them. We shall repeatedly emphasize, however, that in liberal capitalist society, consensus assumes an unprecedented influence in social control, and massively shapes both

the administrative matrix and the structure of social hierarchy.

We have derived this extremely terse tri-partite schema, in relation to the even more abstract dichotomy: power or agreement? The argument of this thesis is that where social control rests heavily on consent, the value consensus will shape and set limits to the other two elements in social control. Where power, or compulsion, predominates, consensus will be weak, and social control will be forcibly secured. "Power" used in this sense, is social control not validated by consensus. The argument in this thesis is that a social control structure relying heavily on power is very precarious. I believe that modern capitalist society, by historical or alternative actual comparisons, rests very heavily on consensus, and that an important part of the character of that consensus relates to the widespread phenomenon of human capital formation.

4. Social control and development are related phenomena.

In fact, development may be conceived as a change in the modality of social control. I shall argue that this is especially the case with capitalist development. I shall want to claim that under mature capitalism, the structure of hierarchy becomes a less significant element in the structure of social control, whilst consensus becomes a more important element. To this extent, the administrative matrix becomes rather distinct from the structure of hierarchy, and both become more reliant on the force of

consensus. I shall argue in a later chapter, that under modern socialism the reverse is the case, with the administrative matrix merging with the pattern of hierarchy to which it partly gives rise, into a structure of power with which aspects of the consensus may become actually dysfunctional. The consensus in advanced capitalist society is implicit, largely unplanned, and highly successful. In socialist societies, an explicit, planned dissemination of ideology is secured by the dominant social elite, but it does not coalesce into a coherent consensus, and an unacceptable "capitalist" consensus tends to emerge, reflecting both the emulation effect caused by knowledge of capitalist societies, and by the presence within socialist societies of capitalist or proto-capitalist elements. Here again, the concept "human capital" will enliven our analysis.

Classification and Frame

Another way of conceptualizing the structure of social control is to say that it comprises a society's complexes of "classifications" and "frames". These two concepts by Bernstein,⁽¹⁾ after the manner of Durkheim, are analytically fertile perhaps even beyond Bernstein's realization, and this thesis will have frequent recourse to them. Classification refers to the principles by which boundaries are established between different social-structural phenomena. Bernstein introduces the concept first in his analysis of

the curriculum,⁽²⁾ to refer to the principles through which different contents in a curriculum are brought into relationship. Where boundaries are clear he speaks of strong classification; where they are blurred he speaks of weak classification. In subsequent articles he has extended the concept classification to refer, for example, to the degree of structural separation of the labour force, as between skilled and unskilled and so on; ⁽³⁾ and finally, in his most macro use of the term, to identify the degree of separation between education and what he calls "production".⁽⁴⁾ He does not raise the possibility of discussing the degree of classification between education and the state, but plumps for the question of the classification (link/separation) between education and production.⁽⁵⁾ He makes it clear that by some additive process, classifications constitute the structure of "power", though he does not claim that all classifications are additively significant. Nor does Bernstein address the question of the precise meaning of the concept "power". Were he quite the fully-fledged Durkheimian he is often seen as, he would surely have used some other term. Certainly it will already be apparent from the text that my emphasis in the analysis of contemporary capitalism will centre on consensus rather than power; in other words that for this thesis, power, either in its overt sense of coercion or its covert sense of manipulation will not be treated as the main variable to be explained.

Frame refers initially to the principles which regulate the pedagogic relationship.⁽⁶⁾ Strong framing of a pupil means he has weak discretion over the organization, selection and pacing of knowledge, weak framing the reverse. Again in subsequent essays, Bernstein has extended frame to explain the principles which regulate people engaged in "economic" production. Strong framing implies a kind of Bravermanist powerlessness, weak framing the reverse.

Framing is a functional-control rather than a structural concept, since it refers to the processes which initiate social actors (either educands or employees) into the structural power principles of society. Framing is the regulation on school or production socialisation.⁽⁷⁾

In every case, classification and frame are combined by Bernstein in a matrical way, to yield codes defining the essence of different systems of education and production. The sum of school classifications and frames yields the structure of (school-based) cultural transmission. The classification and framing of production yield different types of economic structure. The overarching matrix in every society is its dominant cultural category. In capitalist society this is class.⁽⁸⁾

This explanatory system is both enormously persuasive and aesthetically elegant. Though it is not historically argued, it cries out for historiographical treatment as well as general empirical research. Our thesis, however, in fact

differs from Bernstein's schema in several important regards. First, we maintain that the fundamental problem in modern capitalist society is not power but consensually based social control. Second, it will be argued that the dominant cultural category of capitalist society, its "deep code", is not class, but the market. Third, we find that the antithesis "education" and "production" is not entirely happy, since it carries a sense that education is not itself production. However, the enormous heuristic potential of Bernstein's formulations is their supreme virtue. Since classification and framing are master categories, higher order analytic devices, their use can be extended and refined indefinitely, as phenomena conceived at widely differing levels, are analytically accommodated to them. It is this fecundity which makes Bernstein's essays so exciting.

In this thesis, classification, at the highest level of abstraction, is taken to be the set of principles announcing the distinction between state and non-state, between the domains of the public and private, between collective imperative and individual action, between the agencies of external regulation and coercion and that which they regulate and coerce, between those elements of social control based on administration, and those secured through agreement, internalized consensus.

In terms of the tri-partite model of social control developed earlier, I argue that strong classification

indicates a limited but clearly defined competence accorded to government and state machinery -- the administrative matrix. Next, I claim that a related consequence is a weakening of hierarchy in the structure of social control, a lessening of the ability of minority classes or other strata to impose their wills arbitrarily. Finally, and this is the most crucial point, a strengthening of classification presupposes a strong societal value consensus, a situation where society comes increasingly to constitute individuals, rather than merely externally regulating them. Another way of putting this, is to say that men's involvement in consensus, establishes in their minds strong internalized classifications between those aspects of human behaviour where external regulation is deemed appropriate, and those where it is seen as otiose or offensive. Naturally in all this I must stress the ideal-typical character of my distinctions. I am fully aware that all societies turn on a mixture of agreement and coercion. It is the balance between them which is my concern, and the reader will already have discerned my belief that in our kind of society, the conception of the rule of law, and the existence of widely shared values cannot be dismissed as outcomes of "power" manipulation. What I shall also stress, is that they cannot be disassociated from the phenomenon of human capital formation.

Frame, as I want to employ the term, is the set of principles or circumstances which regulate individuals and

groups in various forms of interaction. The determinants of frame are differentially tractable. One may well speak of the "natural" frame on the lives of citizens, insofar as this is constructed through the scarcities of nature. In a sense, the history of human development represents a potential secular weakening of the frames imposed by harvest uncertainty and disease. At another level, an increase in gross national product and, a fortiori, an increased complexity in its composition, weaken the "economic" frame on the citizenry, permitting the emergence of the citizen consumer. The composition of output, unlike the vicissitudes of harvest and disease, which are merely circumstantial, constitutes a partly principled frame in Bernstein's sense, since it is, at least in some societies, very powerfully influenced by the administrative matrix. In socialist societies, the state largely determines the composition of output, at least of official output. This clearly involves a weaker classification than is found in capitalist societies. For our immediate purposes it is the framing consequences on the citizenry which concern us. Insofar as the state determines output composition, it cannot be set by citizens as economic decision-makers. Insofar as it is not set by citizens, its composition must limit the choices, the economic discretion of the individual. Beyond a certain level, the composition of output is more important in living standards than gross volume. The living standard gap between western and eastern Europe is greater than

observation of comparative G.N.P. might suggest. A high social wage and an investment emphasis on heavy engineering and infra-structural development, constitute powerful economic frames on the citizenry, as well as presupposing a weak classification of government vis-a-vis general socio-economic life. By the same token, widely distributed generalised capital-formation decisions, represent a weakening of external economic frames. Frames may also be constructed in terms of age, sex, race, intelligence, domicile, religion, migration, and so on. In the event, I take the "general" external frame on the citizens of modern liberal capitalist economies to be unprecedented^{ed}ly light.

Frames may be conceptual/ideological, arising from the administrative matrix, from the structure of hierarchy, or the general value consensus, or from all three. Frames may be positive, enunciating what the citizen must do. They may be negative, determining what he must not do. They may be perceived or unnoticed. Frames may be legal or even illegal. They may be entirely coercive in character, or entirely internalized.

Above all, I want to assert that these distinctions are systematically, differentially, discernible in different societies.

Pre-Industrial Agrarian Society

With the discovery of farming in the ancient Near East, what we may call agrarian society was born. Its history of some 10,000 years makes it a very durable form of social organisation compared with its industrial successor. On the other hand, it is an ephemeral formation compared with the hunting and gathering economy it replaced. The latter reaches back into the hidden pre-human history of mankind, man having clearly a socio-economic life before the advent of language permitted the properly human being to make his appearance.

"Agrarian society" covers a multitude of types. It is clearly potentially implicit in many late stone age cultures. Though capable of diffusion and emulation, as for example from the ancient Near East, it has occurred spontaneously elsewhere, as in pre-Columbian America. Agrarian society is still with us in varying degree in parts of the Third World, where its continuance constitutes a dual economy in many societies, as it occurs alongside more modern elements. Agrarian societies may be literate or pre-literate. They have varied historically in terms of their technologies, for example, there is the absence of the wheel in pre-Columbian America, in terms of their intellectual lives and in terms of their institutions. Oriental despotism, slavery, feudalism, and sometimes tribalism are all versions of the agrarian form of society.

I agree entirely with Perry Anderson's view that Marxist

scholars have typically over-used the concept "feudalism" to embrace a multitude of post-slave, pre-industrial economies.⁽⁹⁾ I also accept Anderson's point that Wittfogel's work⁽¹⁰⁾ illegitimately brackets a very disparate collection of societies under the loose rubric "Oriental Despotism".⁽¹¹⁾ I would also add that Wittfogel's sub-title is conceptually preposterous; there is no such thing as "total power".⁽¹²⁾

However, I am not engaged here in a refined typological analysis. That agrarian societies constitute a most unruly aggregate for typological purposes is incontestable. This does not imply, however, that they might not possess, universally, some common characteristics massively distinguishing them all from modern capitalism.

Indeed, Anderson himself offers us a universal distinction between capitalism and its predecessors which I hold to be false. He says that capitalist society is the first "to separate the economy as a formally self-contained order".⁽¹³⁾ He goes on to say that under capitalism, surplus is extracted by a purely economic mechanism: the wage-contract. This distinguishes capitalism from agrarian societies where superstructural arrangements are themselves constitutive of the mechanism of surplus extraction.⁽¹⁴⁾

There are two deficiencies here. The first is the predication of the argument on the labour theory of value and its derivations. This theory has been exploded so often that it seems a wonder that anyone is prepared to parade it.

My deeper concern, however, is the much less frequently addressed deficiencies of the Marxist specification of production, a specification which is massively erroneous. What Marxists call the "superstructure" of government, law, education and so on, cannot be regarded as "non-economic". Such institutions are indispensable parts of the economy. The failure to recognize this vitiates much of the Marxist critique of education in capitalist society, as we shall see in our last chapters.

Where Anderson (and indeed Marx) is right, is in stressing the vast importance of wage-labour in the attempt to conceptualize capitalism as a distinctive form of society. Similarly, I would stress that whatever their extreme variations, pre-capitalist agrarian societies do possess common features in contra-distinction to industrial capitalism.

Thus at a high level of abstraction, we may broadly distinguish agrarian from modern capitalist society in the following principal ways:

- (a) They were/are massively different in terms of their skill orders;
- (b) They were/are massively different in terms of their modalities of social control;
- (c) They were/are different in terms of technological dynamism. Agrarian societies are characterized by relatively stable technologies, industrial societies by irrepressibly dynamic technology.

All these three considerations are inter-related. Let us deal

initially with the first of them.

Skill-formation in Agrarian Society

The key distinction between modern and pre-modern society in this regard, is that in the latter, skill-formation is not, typically, marketized. Throughout most history, skill-formation has been managed through the costless inter-generational transmission of techniques, mainly through the family. Often this has been very sophisticated and complicated, and it is inherently remarkable, such that the human species may be compendiously identified as the one in which learned skills replace or modify instincts. But in all agrarian societies most such skill-formation has not constituted a deliberated capital.

The distinction does not lie in the complexity of the skill, though, pace Braverman, ⁽¹⁵⁾ I believe that modern industrial society is enormously more skilled than its predecessors. Nor even does the difference reside in its level of remuneration, financial or otherwise. History is replete with examples of esoteric and highly rewarded skills, which nevertheless were not capital. The craft of bowyer is a good example in many societies. ⁽¹⁶⁾ It took years to learn, and indeed the bows themselves sometimes took years to make. Yet costless learning within the family seems to have been the norm. Among such men as bowyers, and, to take just one of many possible examples, among the specialised guild workers of the Middle-Ages, we sometimes find expertise

so privatized as to constitute a kind of proto-professionalism. Indeed one distinction between human capital formation and mere skill-formation, may be the greater liability of the latter, under some circumstances, to privatization. In this respect, as we will see in our chapter on the professions, professionalism may be highly continuous with pre-industrial society, and in a sense dysfunctional in a modern context. Certainly I shall argue of the professions that they involve rather untypical (because closed and privatized) human capital formation. One of the characteristics of modern capitalist society is its relative open-ness, the way in which more and more people are brought into capital investment and other economic decisions. What we do not find in agrarian societies, except insofar as such societies now incorporate a "modern" sector, is this relative open-ness, the rather deliberate weighing of costs and returns which serves to convert skill into a human capital. A widespread awareness of the calculus of costs and benefits is the sine qua non of a "capitalism of occupations", the term by which we may characterize the occupational structure of a modern capitalist economy. Pre-agrarian societies lacked this awareness. They lacked the mental atmosphere of which this awareness is a part. Thus it is not surprising to find Rostow in his recent book ⁽¹⁷⁾ explaining the etiology of capitalism in mainly conceptual/intellectual terms. While nineteenth-century economists were right that the degree of complexity of the division of labour is limited

by the volume/saleability of output, such complexity is also massively constrained by the dominant mental life of the community.

Clearly the connections between the conceptual life of a society and its complex economic phenomena, such as skill-formation, are highly problematic. But that the former constrains the latter, cannot be doubted. Without effective concepts like the individual, like freedom of action with regard to resources, both understood and practised, you cannot have generalized capital formation. As Weber grasped, ideas can never be regarded as merely epi-phenomenal. (18) The correct picture is of a "chicken and egg" reciprocity, a dialectical procedure where changing ideas feed and are fed by the processes of changing socio-economic forms. In the Ancient Economy, by which Moses Finley means classical Greece and Rome (and the same applies to all pre-industrial formations) the concepts labour, production, capital, investment, income, circulation, demand, entrepreneur, utility and so on, are all absent. Indeed these concepts are post 1750. (19) Paul Johnson's book thus attributes to the Ancient Economy a capitalist modernity it simply did not possess. (20)

Among the labour forces of the huge cities of agrarian civilization, Babylon, Carthage, Rome and so on, there must have been socio-economic behaviour which to some degree approximated private human capital formation. The categories of labour were very diverse and the division of labour

considerable. Moreover, these were in part money economies. It also seems likely that could we penetrate the occupational structures of Abbassid Bagdad or of late sixteenth-century London, (21) we would also find some elements of private human capital. But in general, agrarian society lacked both the occupational specialization and the conceptual apparatus which are indispensable to private human capital formation.

In fact, it seems probable that before the advent of modern industrialism, social human capital formation was a more common phenomenon than private. Governments and ruling elites clearly did devote resources having alternate uses to the formation of particular skills in their workforces. This was evidently the case with the soldiery. The training of slaves, serfs or peasants for warfare, as opposed to other uses (the opportunity costs are not as it happens obvious) clearly represented a form of social human capital formation, though the analogy was not felt and would not have been understood in a society with no articulated sense of capital.

In general terms I would want to assert that, to take for example, our present concern, human capital theory, such theory is meaningless outside the context of a relatively open society and unthinkable without the establishment of the individual as a virtually unchallengeable feature of the intellectual landscape.

Social Control in Agrarian Society

I subscribe to the school of sociological opinion for which the question: why does society cohere? is the paramount question in social theory. The answer at a very vague and general level is: always through a mixture of agreement and force. Durkheim's magisterial On the Division of Labour in Society (22) takes the view that in pre-industrial societies agreement tended to issue from the sameness of people, from their lack of differentiation. Durkheim's a priori agreement in fact misleadingly conflates tribalism and agrarian society. "Mechanical solidarity" is a good way of conceptualizing social control in the former: it is not nearly so good for the latter. I shall argue below that, in fact, modern capitalist society enjoys a more powerful consensus than its historical predecessor did, and that in that consensus we find precisely, among other ideas, ideas which are very favourable to that form of skill-formation which we call "human capital".

Thus, without denying the existence of consensus in agrarian society, I will argue that such society rested very heavily, by our standards, on coercion and force. In terms of our tri-partite structure, we may argue that the administrative matrix had a direct and formidable part to play in the structure of social control. The second element, the structure of hierarchy, related mainly to ownership or control of land. Only a small minority of the population occupied the upper reaches of the hierarchy,

and the administrative matrix of society was often in considerable degree the theocratic instrument of this landed ruling class. Obviously I am bunching together here, societies of widely differing character. There are huge differences between European feudalism and the ancient slave states for example. Under feudalism, monarchy was often weak, and the nobility strong. This suggests tensions and contradictions among the wealthy and favoured few, as was indeed the case. It is also the case that the excluded majority in agrarian societies were not by any means entirely homogeneous socially. There were many fiercely guarded distinctions. That I pass lightly over these issues, does not imply that I am unaware of them, only that I wish to maintain, as reasonable, the proposition that all agrarian societies, whatever their huge variations, have polarized between the favoured few and the excluded mass, and that the apparatuses of administration have been mainly at the service of the former.

Finally, the third element in social control, consensus, often failed to attach the mass of agrarian poor to the status quo. It is this relative fragility of consensus which partly explains the savage penal system we observe in all these societies. The fearful punishments which attached to various crimes reflected only in part the outraged "conscience collective". They also represented a society where social order depended heavily on naked force. As Andreski says: "we have innumerable examples of domination

through sheer terror and fear in the face of an almost unanimous hatred of the rulers." (23) Sometimes riots and rebellions broke out. There are cases in all known agrarian societies. The punishments were always hideous. But even when order reigned, we cannot infer that the poor internalized the manifest principles of their society - the gross disparities in wealth and the often naked reliance on power. This is a point made most eloquently by the late John Plamenatz. (24) It may well be the case that much of the social order of agrarian society was a sullen acquiescence, rather than an internalized acceptance. Consider, for example, the caste system, slavery, droit de seigneur - all are retrospectively horrible. Now, while it is bad history to imagine that their victims recoiled from them in precisely the same spirit of disgust we feel, it is also invalid to infer from the absence of a Pugachev or a Spartacus in every village, an index of approval.

The socially dominant groups in agrarian society were in fact more removed from the masses, stood at a greater social distance from them, than is the case in industrial society. In a sense, indeed, such an outcome is functional for a poor society. The choice was really whether a few should be rich or whether no one should be. But the down-trodden helot or serf cannot be construed as approving his lot. Can we not, indeed, interpret Jack Cade, Spartacus and the countless other examples, as deep spasms of underlying structural revulsion and rejection? In my view,

a great deal of social control in agrarian societies is police control, a fact which explains their affinity with modern socialism. I repeat, as will appear from these remarks, that I find Durkheim's "mechanical solidarity" an unsatisfactory conceptualization of social control in an agrarian society, though it seems highly appropriate to primitive tribalism. I shall argue later, however, that "organic solidarity" is a brilliant partial explanation of social cohesion under industrial capitalism. A safe generalization about most agrarian societies is that they were often hideously unpopular with the masses. Thus, as Johnson points out, burning alive was the standard punishment for a whole range of offences under the late Roman Empire.⁽²⁵⁾ Crucifixion, also, was a widespread punishment in the ancient Near East. The annals of the Assyrian emperors boast of their vast cruelties in the face of social unrest.⁽²⁶⁾ Their control strategies, like those of the Incas, two thousand years later, prefigure the reigns of Hitler and Stalin, involving, as they do, the wholesale deportation of subject peoples, as well as routine torture and execution.⁽²⁷⁾

Perhaps Durkheim's "mechanical solidarity" produced social cohesion only for the immediate context of social life in agrarian society, regulating only the interactions between the slave or serf and his fellows in like condition. Certainly the recent article by Abercrombie and Turner can be interpreted in this way, since they claim that in all eras, ruling-class ideology has had the function of integrating

the elite rather than the mass. (28)

Abercrombie and Turner argue that in pre-industrial society, the rich and the powerful lacked the administrative or technical means to implant ideology in the masses. (29) We shall argue, in our chapter on socialism, that the instilling of specific ideology in the masses, is not a feasible proposition even in societies which do possess universal education systems and control over the instruments of propaganda.

Abercrombie and Turner's article is a welcome source of light in the confused, self-denigratory darkness that the current spate of guilt-ridden "radical" scholarship has created with its insistent emphasis on the ubiquitous ideology of the bourgeoisie. Though modern capitalist societies possess institutions, such as education systems, which could disseminate bourgeois ideology, in fact, argue Abercrombie and Turner, ideological coherence is no longer so important as in the pre-industrial world, even for the "dominant" class, since with the rise of the large-scale corporation, the family has ceased to be the principal wealth holding institution, and its cohesion is no longer essential to the preservation of property. (30)

Nevertheless, the interesting question is: how effective in securing elite cohesion, were the social processes of a pre-industrial society? The answer, it seems to me, is: only partly. It will be a central thread of argument in this thesis, that widespread active decision-making

by the populace, decision-making in which calculations about the costs and benefits of skill-formation are crucial, both generates and reflects the powerful integrative consensus of liberal capitalism. Now, while the majority in pre-industrial society were relatively passive, takers of orders rather than makers of decisions,⁽³¹⁾ the elite surely dominated active decision-making, whether economic, administrative, military or religious in nature. Whatever the degree of development of the money economy, for example, the elite largely dominated it. Some degree of elite cohesion must be assumed an indispensable condition of social control, given a sullen and resentful majority. However, it may be doubted how secure consensus was, even for the elite.

I believe that in pre-industrial society, the social cohesion of the elite was itself highly problematic and incomplete. It is noteworthy that there was a standard problem of succession for the actual rulers, and of stability and continuity in senior office-holding. In storage cultures and in feudal society, accession was as often as not achieved through conspiracy and murder. Those who read the political history of ancient Assyria, Chaldea or Persia, encounter the murder of the monarch or internecine feuding amongst putative heirs, as a common phenomenon.⁽³²⁾ Everyone knows that Pizarro murdered Atahualpa. It is rather less commonly known that Atahualpa himself murdered his half-brother, the rightful Inca, Huascar.⁽³³⁾ Attila the Hun is better known

for his conquests than for the murder of his brother,
Bleda. (34)

For all their manifest differences, slavery, feudalism and semi-nomadic empires do seem to have in common this precariousness among the dominant groups. However different from oriental despotism, feudalism may have been, it too was characterized by problems of succession. The same can even be said of the "early modern" centuries - the sixteenth and seventeenth - in England. It would be revealing to count the number of English monarchs from William Rufus to Charles I, who died by violence or intrigue.

As with heads of state, so with their ministers. In sixteenth-century Europe, at the height of the Renaissance, Elizabeth I of England was distinctive in her forty years of loyalty to William Cecil, for during this time, "the Catholic sovereigns of France, Spain and Scotland had all disembarassed themselves of their counsellors by treachery and murder". (35) Elizabeth herself was the daughter of that capricious and disloyal monarch, Henry VIII.

It is, in fact, modern liberal capitalist society which has created continuity and order in government. Only in this society has the murder of heads of state and their ministers ceased to be a routine phenomenon, and become, on the contrary, regarded as abominable. The modern totalitarian regimes, corporatisms that they are, have remained true to corporatism in this matter also. Not only is coercion essential to control of the masses; but violence and conspiracy have

been characteristic also of life at the top. The betrayal (and murder) of their erstwhile colleagues, even friends, has been characteristic of the rules of Hitler, Stalin and Mao Tse Tung.⁽³⁶⁾

Why should so many societies, historically or actually, be thus constituted? The question is enormously complex; but I would suggest, as a preliminary hypothesis, that in societies which regulate the masses largely by coercion, the coercive apparatus required has a constant tendency to turn on its own. The relative stability and security of the rich and influential in advanced society, in large measure reflects the fact that they do not violently and overtly oppress the majority. What this thesis will strive to do, is to uncover the part played by generalized human capital formation in this extraordinary historical transformation.

Technology in Agrarian Societies

The most significant characteristic of the technology of agrarian society, retrospectively, is its relative stability, its relatively inelastic character. This partly explains the vulnerability of agrarian society to famine through harvest failure or population growth, what Hecksher has called "nature auditing her accounts with a red pencil".⁽³⁷⁾

The technology was not entirely static. Medieval European agriculture undoubtedly outstripped all previous cultures in its skills and productiveness.⁽³⁸⁾ Neither is

the relationship between technology and socio-economic life easy to specify. The superior agriculture of medieval Europe was accompanied by a much poorer urban life than obtained in many parts of the ancient world. Cities were smaller and urban technology (plumbing and so on) and urban administration less developed. Yet we can say generally, whatever these variations, that unlike modern technology, agrarian technology did not endlessly dissolve and reconstitute the conditions of production; it did not constantly alter the structure of relative scarcities; it did not induce a dynamic structure of occupations, nor provoke widely disseminated opportunities for economic decision-making. It did not increase the complexity of the labour market and make possible the deliberated accumulation and deployment of productivities by very large numbers of people, as capital. Thus agrarian technology was a source only of passive, undifferentiated sameness for most of the labour force. It was not, unlike its modern counterpart, a source of what I would term "cohesive heterogeneity" of "organic solidarity" of what functionalists call the "societal value consensus". Modern technology loosens some of the frames on the citizenry; others it doubtless tightens à la Braverman.⁽³⁹⁾ Agrarian technology imposed many of the frames within which men lived, and then simply left most of them relatively undisturbed for millenia. It was part of a society where social change went at a glacial pace compared to the conditions of

industrialism. In our terms: technology was not a promoter of human capital formation. The latter can arise only in a society characterised by open decision-making, and considerable geographic and social mobility. In other words, human capital formation requires a dynamic technology, one which has achieved a high degree of complexity in the division of labour. Durkheim is right that the complex division of labour is a source of solidarity.⁽⁴⁰⁾ It is through our perceived, active interdependencies that we cohere. A passive, undifferentiated labour force, is perhaps silent and sullen, and likely periodically to weigh its rulers and their gods in savage terms which are merely the obverse of the savagery which is the real instrument of that passivity. This, I take it, is the basis of the horrendous cruelty which down the ages has attended the rebellions of serfs and slaves. The underlying resentments of the agrarian poor are brilliantly depicted in the work of Norman Cohn.⁽⁴¹⁾ It is highly significant that when social turbulence occurs in the advanced economies, it is rarely or never directed against any group seen as "rulers".

Classification and Frame in Agrarian Society

The implication of the foregoing remarks, if we translate them into Bernsteinian terms, is as follows: agrarian society is characterised by a weak classification of government and society and by strong frames on members of society. We may note with Wittfogel the huge power of the

state in storage cultures, such as the Inca Empire.⁽⁴²⁾ Baechler has even wanted to reverse directly Wittfogel's argument in this regard. Wittfogel takes it that despotic bureaucracies are set up to ensure the maintenance and repair of hydraulic systems.⁽⁴³⁾ Baechler prefers to argue that the etiology is the other way round. It is the fact that there is the establishment of a successful bureaucracy which permits maintenance and repair work to be initiated. And Baechler might have gone further in his examples of ancient Ceylon and Peru.⁽⁴⁴⁾ He might have argued that without such a strong central bureaucracy, the constructions could not have been undertaken in the first place. If nineteenth-century railway building required state direction and provision in most countries, how could the giant roads of Peru, the huge dams of Ceylon, the Pyramids of Egypt been built? Given the limitations of pre-modern technology, do not these feats bespeak an irresistible central bureaucracy, a structure of social control based above all on power and coercion? What seems to be involved is the establishment of formidable, coercive frames on the population and a comprehensive weakly classified structure of government (buttressed by religion from which in turn government was not, generally, strongly classified).

It may be claimed that in the agrarian societies of the past, the state as broadly defined, was not clearly marked off from other socio-economic activity, either administratively or conceptually. This is not a question as to whether the

formal machinery of government and state was highly developed, but of the principles defining the degree of separation between state and non-state.

There were very considerable variations in the role and scope and formal structures of state and government. The Inca state was apparently ubiquitous, undertaking even the direct provision and distribution of goods through a system of allotment.⁽⁴⁵⁾ In Ancient Egypt, China and India the state machine was formidable also.⁽⁴⁶⁾ In ancient Mesopotamia there seems, by contrast, to have been a much greater degree of independent economic authority, a private sector - the Karum.⁽⁴⁷⁾ The "ancient economy" by which Moses Finley means classical Greece and Rome, had a very marked private ownership system, and, especially in the case of Imperial Rome, a highly developed bureaucracy also.⁽⁴⁸⁾ In feudal Europe, on the other hand, while the formal agencies of government and state were fairly rudimentary, reflecting the lack of a strong centralised monarchy, private ownership was in the main absent.

So there were great variations in agrarian society. Nevertheless, a highly general abstract statement can be made to cover all these types of society. Namely, that they all exhibit little or no sense of a principled separation between the domains of private and public. Even where formal government was sometimes institutionally rudimentary, as under feudalism, it was nevertheless powerfully underwritten by other agencies of regulation such as church and guilds.

Thus, in all agrarian societies, the machinery of social regulation had a more or less indefinite competence in principle; the agencies of administration and order were weakly classified in relation to the general life of the community.

This is seen clearly in the intellectual life of such communities. We have said that much of the central language of economic theory is post-1750. But the differences were deeper than that. The concept of the individual was at most inchoate even in classical Greece.⁽⁴⁹⁾ There was certainly no sense of the individual as the proper focus of political and social administration. A principal reason for the weak classification of government in agrarian societies, is precisely the amorphous and undifferentiated conceptions of social, economic and political phenomena that obtained in them. Government could not be clearly marked off from other areas of life, till it emerged as a clear, distinct concept.

Precisely the same is true of economic life. The inhabitants of agrarian societies lacked many concepts which we take for granted. Thus Paul Johnson is guilty of a failure in historical empathy when he attributes to ancient Greece and Rome a free enterprise economy.⁽⁵⁰⁾ The Greeks and Romans lacked the philosophical outlook, and the internalized psychology appropriate to capitalism. As Finley points out in some brilliant pages, you cannot have or reject laissez faire until you possess state and economy

as distinct, articulated notions.⁽⁵¹⁾ The government cannot retreat unless the citizenry possess a sharp sense of what government is, of what its limits are or ought to be. While, under modern socialism, the conception of a separation between state and non-state may have been weighed in the balance and found wanting, in the agrarian societies of the past the question did not even arise. Finley puts it thus of the ancient economy: "The authority of the state was total,"⁽⁵²⁾ and again, "There were no theoretical limits to the power of the state, no activity, no sphere of human behaviour in which the state could not legitimately intervene."⁽⁵³⁾

The usefulness of "frame" in the analysis of agrarian society, is thus easy to exemplify. We find, with considerable degrees of variation, that individuals had typically little discretion in the making of economic and political decisions. People were framed tightly, both negatively and positively. Slavery, serfdom, caste, settlement laws, guilds, military conscription and religion are only a subset of the principled factors regulating (framing) most lives under agrarianism.

In many cases, and the question is ultimately impenetrable empirically, it seems likely, as we have argued, that frames were kept intact by the savagely coercive power of the rich and/or priestly and bureaucratic groups. Thus I repeat that Durkheim's "mechanical solidarity" is somewhat strained in relation to agrarian society, though it is probably apposite for primitive tribalism, where there is little or no gap of a systematic kind between haves and have-nots.

Clearly in all societies there must be a degree of consensus, and indeed the very concept of a society subsumes the notion of agreement; but I am inclined to doubt its relative depth and ubiquity in societies characterised by slavery, serfdom or caste.

Widespread illiteracy, low incomes and lack of differentiation in production, also represented tight frames on the population, as did high interest rates, official opposition to usury and so on. Only when intellectual life reaches a certain level, and when economic output achieves a certain volume and complexity, can the individual begin to emerge either as a concept or as an active decision-maker, or as the welfare desideratum of public policy. The philosophical bias of this thesis, is to the effect that the emancipation of the many depends on the emancipation of the one. The individual as idea and as actor is the sine qua non of modern social progress. Individualism is not an obfuscating ideology of capitalism but the indispensable basis of its economic and social system. This is a large proposition, and the next chapter will accordingly seek to uncover the part played by the phenomenon of human capital formation, in the control structure of modern capitalist society.

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CHAPTER TWOHUMAN CAPITAL AND THE LIBERAL ORDER

And it shall come to pass in the day that
the Lord shall give thee rest from thy
sorrow, and from thy fear, and from the
hard bondage wherein thou wast made to
serve.

Isaiah, Chapter XIV

INTRODUCTION

This chapter seeks to develop further the suggestion of the last chapter, that the structures of economic decision-making and social control are linked phenomena. The basic proposition is simple: modern capitalist society combines a highly consensual structure of social control with a relentlessly dynamic technology, which endlessly dissolves and reconstitutes the pattern of relative scarcities.

This apparent contradiction between a stable consensus and an unstable pattern of scarcity can be reconciled in a recognition of the decision-making structure of modern capitalist society as essentially decentralized, devolved upon the individual. This decentralized structure of decision-making may be regarded as "functional" to the conditions of modern technology. The corporatisms of pre-industrial society, with their generally tight circumscription of individual action and their generally coercive systems of social control, would have revealed themselves as dysfunctional in a modern technological context, incapable of the rapid and sensitive redeployment of resources required by unpredictably changing technology and tastes. Indeed, as we

shall see in our chapter on modern socialism, corporatism is in fact difficult to square with the requirements of modern technology.

While decentralized economic decision-making (as to buying and selling, saving and consuming, investing in one's labour and so on) is functional to the conditions of modern technology, it is also, on the other hand, crucial in the generation of social consensus. Decentralized economic decision-making both depends on, and generates, the market code, the deep regulatory principles of capitalist society. The citizens of contemporary capitalist society internalize these principles. This internalization constitutes the economic core of the general value consensus, which, we have suggested above, plays so large a part in social control in such society.

A signally important element in this decentralized pattern of economic decision-making is the complex of decisions which may be regarded as leading to human capital formation. We shall leave mainly to the next chapter the fascinating question of the relationship between human capital formation and social stratification. Our concern in this chapter is to attempt to establish the part played by human capital formation in the general social value consensus.

I

Development, we have suggested, constitutes, at a high level of abstraction, a change in the modality of social control. In terms of our tri-partite model of social control, we can argue that development involves changes in the administrative matrix of society, changes in its hierarchies, and, crucially, changes in its value consensus. There is a clearer definition and narrowing of the role of government and state. This can be thought of as an intellectual and structural differentiation between different agencies of regulation and coercion, as a stronger classification between the realms of the public and the private. Alongside this change in classification go related changes in frames. The external frames of agrarian society are largely dissolved by capitalist development. The individual appears, both conceptually and phenomenally. He becomes the prime focus of economic action, of politics, and of social administration.

Industrialization is a massive change in the structure of economic decision-making. Sociologically, and relatedly, it is a complex of changes in the principles of social control. The structures of regulation and obligation are transformed, both in the case of those agencies which externally control the individual, and those which are constitutive of him, whose influence he internalizes.

Industrialization involves the gradual dissemination, in place of the principles of a sluggish subsistence economy, of a market code, the principles of buying and selling, of saving and consuming, a calculus of investment and return. An active socio-economic life involving most citizens comes to reduce the significance of coercion and sullen acquiescence in social control.

We find changes in socio-intellectual life, changes in the law, changes in social stratification, changes in the functions and spirit of government and state, changes in the regulation of industry and economy. Now while all development is social change, it is worth stressing the revolutionary character of the British industrialization, precisely because, as I shall attempt to show in my chapter on socialism, some versions of modern development are not especially discontinuous in character, at least as far as the modalities of social control are concerned.

The advance in Great Britain, as everywhere, was uneven. In a sense, a kind of economic and social democracy preceded the development of the degrees of political and other freedoms characteristic of mature capitalist society. In particular, the tendency for achievement to replace ascription as the basis of social location, became more generalized. As Landes says: "The essence of the bourgeois is that he is what the sociologists call 'upwardly socially mobile'." (1) The Industrial Revolution in fact furnished unprecedented

opportunity for social mobility. Recently A. H. Halsey has reminded us of the very considerable social mobility of modern Great Britain, a pattern certainly found also in other industrial society, whether capitalist or socialist.⁽²⁾

An increase in the potentiality for upward mobility represents, in fact, an enormous increase in the individual's command over his own economic and social situation. Ashton has traced a number of cases of the rise of the industrious poor during the late eighteenth century to successful bourgeois status.⁽³⁾ The phenomenon was admittedly not entirely new. Peter Bauer has recently argued that English society has been relatively open since the Reformation, and he takes the widely believed notion that modern Great Britain is dominated by ancient and immovable elites as largely fallacious.⁽⁴⁾ Professor Phelps-Brown is of the same opinion.⁽⁵⁾

We repeat that such a massive change in the structure of hierarchy, and in the principles of social control, is only hesitatingly embraced at first, and is applied in some spheres before others. The proletarian can make himself a bourgeois earlier, and with greater impunity, than he can become a trades-unionist. Such unevenness in the dissolution and reconstitution of the frames on individual and group action should not surprise us. Another way of putting it is to say that individual emancipation preceded collective. Since it can be claimed that, logically, individual welfare is prior to collective welfare, such being the quintessential

assumptions both of a liberal politics and of neo-classical economic theory, the contingent historical precedence is interesting.

In early nineteenth-century Great Britain, as in Spain during the 1950's and 1960's, and as occurs in societies such as modern Singapore, the external socio-economic frame on the citizenry was rather weak, the politico-administrative frame was rather strong.⁽⁶⁾ Those external frames which locked men into particular structural positions were rapidly attenuated: there was no objection to the poor becoming rich. Those which regulated men within a particular position remained intact: there were deep, indeed savage resistances, for example, to demands for changes in employer/employee relationships. This is in no sense contradictory. In such cases we find two overlapping dispensations of social control, in which the partial survival of an earlier form reflects the still immature and uncertain character of the modern. We find in such a mixture a continued heavy reliance on coercion, since though the integrative consensus characteristic of the market code is developing apace, it has not yet become sufficiently coherent and ubiquitous.

The development of the dominant symbolic category of capitalism, namely the market, requires the accumulation of huge capital stocks, physical and human. The physical and human capital stocks presuppose each other, are the logical condition of each other's extension. The accumulation of human productivities in the absence of a sufficient physical

capital to absorb them, is rendered an idle skill formation. On the other hand, an elaborate physical stock is pointless without the skills to man it, and indeed inconceivable without those skills necessary to create it. It is apparent that modern technology, that endlessly shifting and recomposing phenomenon of advanced society, spans both the capital stocks.

Historically, it is easy to see how the inadequacies of nineteenth-century social science, particularly in the case of Marx's economic sociology, arose.⁽⁷⁾ For there is a lag between the two capital formations, occasioned by the insistent demand of early capitalist employers for relatively brute labour. When Marx describes the middle class as the "class which is not a class, the stratum which is not a stratum",⁽⁸⁾ he is illegitimately inferring a permanent character to that brute labour for which the demand was so insistent in the conditions of early industrialism. He did not grasp that a "bourgeois" ascendancy presupposes, under the exigencies of a dynamic technology and occupational structure, its own rather rapid supplantation, not by an impoverished and finally revolutionary proletariat, but by a middle-class ascendancy.

The nineteenth century is a watershed for any socio-economic history. In the nineteenth century there occurred the emergence of the citizen consumer, the rise of the mass agencies of capital and credit mobilization, religious, political and social emancipation -- all the central elements

in the creation of liberal capitalist society. As Durkheim grasped, the social cohesion of such a society depended on perceived relations of interdependence.⁽⁹⁾

As Weber pronounced, the application of science, law and reason to the problems of an industrial order, could be interpreted as a process of rationalization.⁽¹⁰⁾ Above

all, from our specific viewpoint, we find in the nineteenth century, for the first time in history, the emergence on a large scale of the phenomenon which is our principal concern: human capital formation. In the nineteenth century there developed the significant beginnings of mass-schooling, mass medicine, and the large-scale means of intra-national and international transport. These vast societal sub-systems and the differentiated labour market with which they so intimately connect, were the conditions sine qua non of human capital formation and maintenance. I do not claim that they are sufficient conditions of such; they require the development of a certain kind of generalized intellectual and conceptual life, and they demand a certain form of government, incorporating and disseminating these mental shifts. Only then can schooling, medicine, transport and the complex division of labour, promote human capital formation. Liberation, as every page of history reveals, is as much an intellectual and cognitive phenomenon as a material one. Progress is not only the conquest of material nature. It is also the restructuring of the intellectual and moral landscape.

With reference to the intellectual advances of the sixth century B.C., Arthur Koestler says that there are moments when we are swept by "a March breeze.....stirring men to life, like the breath in Adam's nostrils." (11)

It may well be suggested that the intellectual and material history of the nineteenth century in the West, however cruelly disappointed its posterity in some respects, was a liberation of this kind.

Perhaps the origins of that extraordinary phenomenon, industrialism, are in some measure imponderable. This essay is not, fundamentally, concerned with the etiology of industrial capitalism, though I would willingly insist on private human capital formation as a necessary condition of spontaneous industrialization and, if pressed, would be inclined to combine Baechler's view that the origins of capitalist society lie in political life, (12) with Rostow's assertion that the genesis of capitalism is fundamentally conceptual. (13) That is to say I would reject the primacy of economic phenomena, would reject the base/superstructure metaphor and, above all, would specifically deny that capitalist socio-economic life is largely determined by the socio-economic organization of physical capital. If, as I assert, the development of a skill-order of a specifically capitalist kind is a necessary condition of industrialism, it follows inexorably that the main embodiments of that human capital formation, for example, the occupational structure, must also be crucially important in the structure

and regulation of human affairs in an industrial society.

Not that this conceptualization goes far enough. It merely, however correctly, adds to stress on one capital formation, an emphasis on another. Even in harness these considerations are insufficient. The emergence and the rapid widening and deepening of human capital formation in industrial society, are only one element in a general economic transformation. That which is invested must come from that which is saved. A stream of savings in turn presupposes a flow of income, which itself presupposes production. In turn production presupposes consumption.

These remarks, I hope, are not so much the parading of banalities, as a preamble to the proposition that when an etiology of capitalism is attempted, when the definitive examination of the socio-economic aspects of industrialization is achieved, it will prove to be a socio-economic history of consumption and saving. The whole Marxian tradition may thus come to be seen as massively erroneous. It has studied the phenomenon as one of production, when it is just as significantly one of consumption, or more finely, of the increasingly calculated trade-offs between consumption and saving.

The most sophisticated modern studies of industrialism are inclined to view development as stochastic.⁽¹⁴⁾ Clearly what is required is an explanation of that conjunction of forces which converted the necessary conditions of industrialization into sufficient conditions. This chapter cannot

follow this line of reasoning very far. What we must insist on, however, is that human capital formation be rated as one of the necessary conditions of this transformation.

The processes by which skill-formation is made increasingly accessible, is mobilized, maintained, rendered economically sensitive and geographically and occupationally flexible -- in a word those processes whereby mere skill-formation becomes human capital -- are of the essence of the first Industrial Revolution and at the very core of the changed modality of social control.

Industrial Revolution brought enormous changes in government and state, in what we have called the administrative matrix. The change was not the abolition of the state but its replacement by a different state. Government, in some respects withdraws from economy and society; in other respects there is a massive intrusion by the state into men's lives.⁽¹⁵⁾ The process was not abrupt. When Jean Baechler says, "The more the state undertakes to arrogate the (economic) surplus to itself and to redistribute it as well, the less will any capitalist activity be able to take place,"⁽¹⁶⁾ he is considering an oriental despotic society and the obstacles to radically new development which such a society presents. He is not talking of early modern Great Britain. Some of the administrative and conceptual changes requisite to industrialization in Great Britain had been developing slowly over centuries. There was the gradual separation of church and state, the secularization

of the law. There was the gradual and progressive abandonment of trade taxes for fiscal purposes.⁽¹⁷⁾ There was the continuous erosion of the Settlement Laws during a period of centuries.⁽¹⁸⁾ There were the changes in the laws of tenure, permitting the alienation of land. There was the gradual evolution of company law. There were profound conceptual changes such as the progressive diminution of the age-old Christian prejudice against usury, and the crucial emergence during the Enlightenment of that most Promethean of modern European ideas: the manageability of nature.

My proposition here is that all these changes, which by reciprocal causality accelerated under the spur of technological dynamism from the 1780's onwards, can be regarded as the conditions, mechanics and outcomes of changes in the structure of social control, that is changes in society's classifications and frames, associated with a new societal administrative matrix, a new pattern of hierarchy and, above all, a radically new societal value consensus.

Changes in Classification

1. Trade, especially exports, and the raising of revenue, became structurally differentiated, that is distinct areas of socio-economic life. During the Middle Ages the taxes on exports, especially of woollen cloth, were a main source of government revenue.

2. Government and the management of labour gradually became separate concerns. In particular, the government ceases, substantially, to regulate the geographical (and social) mobility of labour.
3. Production and the administrative matrix of society become distinct. Since governmental and legal activity are themselves forms of production, it would perhaps be more appropriate to say that there is an increasing differentiation between different types of production, market based production becoming strongly classified vis-a-vis governmental production.⁽¹⁹⁾ Certainly the decay of the guilds implies a general strengthening of classification between the administrative matrix of society, and the production of market-directed goods and services. The retreat of the administrative matrix in this regard is signally revealed in the end of the usury laws, the evolution of company law (especially in the matter of limited liability) and the development of distinctive, highly articulated money and credit systems. Clearly this is the process of structural differentiation with which writers like Herbert Spencer were so concerned.⁽²⁰⁾

Limited liability is a particular advance, notable for its simultaneously conceptual and administrative character. From its origins in Scotland in the early nineteenth century, to its enactment in England in mid-century, to its adoption as a ubiquitous element

in capitalist industrialization, it spread with astonishing speed. It obtained in France by the late 1860's.⁽²¹⁾ Limited liability betokens a withdrawal from economic management by the state. It is as significant in terms of the relaxation of the external economic frames on the citizen as it is for the re-classification of government.

4. Of immense importance were the changes in the principles of social stratification. In general terms, it may be claimed that the social strata of modern industrial society are not strongly classified from one another. There are implicit barriers such as those of sex and race, but these have no legal under-pinning and where they have, as in the matter of race in South Africa, this represents an obstacle to the development of a fully fledged human capital order. It is to the modern socialist world we must look for an intentionally strong classification between social strata. There, the division between communist party members and non-members creates a more dichotomous structure of social hierarchy than any to be found in advanced capitalist society.⁽²²⁾

It may be claimed that the massively dichotomous social structure of pre-industrial society has been irreparably eroded under capitalism. The structure of social hierarchy under modern capitalism is much more finely graded and continuous. In this transformation, human

capital formation has played an immensely significant part. This is a very important consideration, and we will devote some separate space to it in the next chapter.

We repeat that historical change is not even or smooth. Only after protracted struggle did government withdraw from the crude management of labour. Long before industrialization it had relinquished, at least in Great Britain, its claim to supervise and enforce labour prices; but to this day the process of reclassification as between state and labour market remains incomplete and controversial, as is clearly indicated by governmental intrusions such as prices and incomes policies. Not till the late nineteenth century did the state retreat sufficiently even to allow full rights of unionization to British workers. (23)

However, the general tendency of the seventeenth and eighteenth centuries, a trend which accelerated in the nineteenth century, is clear. There was a major redefinition and reclassification of government and state and related agencies of regulation and compulsion, what we have called the administrative matrix. A new sense and definition of the realms of the public and the private emerged. The clear recognition of the individual as the proper focus of political and social administration developed.

It must not be imagined that I am proposing that a diminution in the scale and resources of state and government occurred. The bureaucratic forms of modern administration

multiplied, especially from mid-nineteenth century. In areas such as public welfare we find the New Poor Law, the Factory Acts, the Public Health Acts and so on, an interventionist pattern characteristic of the secondary and tertiary experience of industrialization in all societies.⁽²⁴⁾ Libertarian conservatives like Hayek⁽²⁵⁾ live in dread of this "creeping socialism", and will have no truck with prices and incomes policies and other governmental intrusions. We shall discuss these issues in a later chapter. Here we are concerned with the release of the West's economic energies, progressively, during the nineteenth and twentieth centuries. The generation of capital formation, physical and human, is at the heart of the economic changes which occurred. Sociologically this involved a dramatic change in the principles of social control. We have spoken of classification. What of the changes in frames?

Changes in Frame

The changes in frames associated with capitalist industrialization are almost legion. The individual gains, especially in the mature, twentieth-century phases of capitalist development, economic, political, intellectual, religious and geographical freedoms surpassing anything hitherto imaginable. The long-term fall in the rate of interest permits greater levels of capital formation and greater accessibility and mobility of credit. Changes in tenure

modernize the land market. The increase in gross national product, rising productivity, and a growing complexity in the composition of output, increase the incomes and the purchasing choices of the citizen, permitting the beginnings, for the first time ever, of a society based on the citizen as an active economic decision-maker. The greater complexity of the labour force, afforded by a dynamic technology, promoted active human investment decisions. Many gloomy, even bellicose critiques have been directed against capitalist society. I would argue that modern capitalism is in general terms a brilliant civilization, based on the individual decision-maker. Capitalism has extraordinary powers of socialization, and establishes deep internalized frames on the citizenry, as the condition of the dissolution of external, often coercive frames.

II

It is a matter for detailed empirical research as to how the patterns of production and consumption we observe today, evolved. Since, as Blaug points out, we lack, even now, a truly credible theory of occupational choice,⁽²⁶⁾ it must be the case that our understanding of the role of human capital formation in the successive stages of industrialization will

remain inchoate. We do not have the necessary data on relative earnings to understand very fully the pattern of economic decision-making vis-à-vis employment and training in the nineteenth century. Neither do we know to what extent the consumption of goods and services compensated for alienating and de-skilled work circumstances. Some recent Marxist writing, notably that of Braverman,⁽²⁷⁾ embraces rather fulsomely the master's lopsided view of man's species-being, that is the proposition that man is defined and fulfilled by work. Even if man's productive situation under capitalism were justifiably described as "alienation", it would be possible to regard an increase in consumer welfare and an alienated work-situation as examples of the ambiguity, the Janus-face, of social progress. There are certainly good grounds for regarding man as fulfilled by consumption as well as by production. It is Herbert Gintis himself who points out that for the foreseeable future many unpleasant jobs will remain to be done.⁽²⁸⁾ Perhaps consumption is a main social release and self-definition of man.

In any case, there are strong a priori grounds for thinking that human capital formation was from the beginning a significant phenomenon in industrialization, not just among the middle classes, but also among the workers themselves. The decision to migrate seems an obvious case in point. The early decades of nineteenth-century Britain are problematic. We are not certain whether living standards

rose or fell, ⁽²⁹⁾ and it is difficult to distinguish push from pull factors in the pattern of rural-urban migration. ⁽³⁰⁾ After mid-century, when there was an unambiguous rise in living standards, and the development of railways and steam-shipping, it becomes reasonable to assume a strong capital element in the process of intra and international migration. Even in the earlier decades, however, it can be postulated that an element of active decision-making was present in the process of urbanization. However wretched early nineteenth-century Manchester was, it is not evident that its denizens originated from some vastly preferable bucolic alternative. J. H. Plumb has noted how hideous by our standards was life in pre-industrial society. ⁽³¹⁾ There is in fact a hatred of industrialism which links conservatives like Leavis, Eliot and Lawrence with those who, in the Marxist tradition, identify capitalism as the villain of the piece. ⁽³²⁾ To some extent they partake of the same mythology. Harry Braverman's skilled workman of the past is surely of the same romantic world as the unspoiled villagers admired by Bantock and others. ⁽³³⁾

Clearly the Industrial Revolution demanded a good deal of brute labour. Clearly also, some occupations, for example hand-loom weaving, were de-skilled. ⁽³⁴⁾ Neither of these propositions runs truly counter to the view that industrialism is, au fond, a creative liberator. Charles Wilson has argued that capitalism freed a growing number of people from the age-old threats of "famine, starvation, disease and

poverty".⁽³⁵⁾ Is it not equally cogent to discuss what the process has freed people for? It has freed them humanly. By progressive stages, culminating in the extraordinary affluence of the advanced Western world since the Second World War, capitalism has emancipated people. It has increased their autonomy, the arena of their responsible decision-making. The masses have been freed, compelled even, if the reader will forgive the Sartrean paradox, to learn and internalize the logic of the market, to engage in what is part of the underlying logic of capitalism itself: human capital formation.

The adage that nineteenth-century railway building occasioned the presence of investors in every street may be supplemented. For we may say that the burgeoning occupational structure, the skilled trades in engineering, mining, metallurgy, transport and so on, the mushrooming of apprenticeship schemes, and other forms of occupational training, the huge numbers of supervisory grades, the rapid proliferation of clerical jobs, the growth of the professions and the semi-professions, the progressive widening of the medical and educational franchise, and the ever-increasing transport network, must have occasioned a far greater incidence of human capital formation.

Naturally we are looking back with a hindsight based on recent intellectual advances. Nevertheless, neither the fact that the notion of capital was not applied to the analysis of labour in the nineteenth century, nor the fact that we do

not have all the earnings data and so on which we need to understand the economic decision-making involved, should deter us from the view that nineteenth-century capitalism had a significant human capital order.

Not all human capital involves greater social openness. As we shall see in our analysis of the professions, human capital can be privatized, and support relations characterized by social distance and alienation. Nevertheless, on balance, human capital formation is a liberating phenomenon, indeed a crucial element in the emergence of an open society.

The appearance of the individual, of which private human capital formation is a reflection, presupposes a strong societal value consensus. Without such, socio-economic decision-making cannot be devolved upon the citizenry. The consensus, if it is to combine social control and a coherent economic life, must involve widespread acceptance of ideas like the rule of law and the rights of the citizen. Precisely this mental environment favours human capital formation.

The consensus, and the market code which it encapsulates, are extraordinarily robust. This is a necessary feature of any society with an exceedingly dynamic pattern in the use of economic resources. For example, modern technology has since the last century effected huge changes in the pattern of output. Railways, coal, iron, textiles and shipbuilding have all contracted (especially as employers of labour) as automobiles, modern precision engineering,

chemicals, etc. have taken their place. (36) These changes have occurred with astonishing swiftness -- think of the half-millennium in which wool or woollen cloth were England's only significant exports. The fact is that though market forces do redistribute resources more efficiently than any planning agency could, including human resources, there is nevertheless an inevitable massive problem, especially with regard to the redeployment of labour. That it can be done without putting intolerable strains on the social fabric, is prima facie evidence of the deep hold which the consensus and its economic core, the market code, have on the populace. Of course the consensus can fail, or prove inadequate. It is interesting to consider the urgent contemporary phenomenon of inflation in this regard. Sociologically it can be argued that inflation reflects the insufficiency of consensus, either because it is still inchoate (the dual economies of Latin America today) or because it has in some degree withered and weakened (Great Britain and Italy in the 1970's?). Certainly inflation represents a deep alteration in the terms on which men are prepared to engage in economic activity, a fracturing at some key point of the market code and the general value consensus. (37)

It is during the earlier stages of industrialization, such as the West in the nineteenth century, or in the countries of the Pacific Rim in recent times, that the consensus is relatively fragile. At this stage social control

tends to rest very heavily on coercion.⁽³⁸⁾ A number of reasons can be adduced for this. In nineteenth-century Great Britain, for example, the landed interest, with its savagely repressive instruments such as the game laws, remained significant. Next, early industrial labour is often primitive, as industrialization, so far from replacing muscle by machine, initially augments the demand for unskilled labour. Under such conditions, labour is plentiful and cheap, capital scarce and expensive. It is only in the subsequent stages of industrialization that the labour:capital ratio becomes favourable to the former. In the early stages of industrialization capitalists inevitably claim a massive share of the national income. No conspiracy is involved -- only the inexorable forces of supply and demand. Under early industrialization, the presence of millions of uneducated and often uprooted persons, in huge slum cities, does indeed pose a problem of contradiction between capital accumulation and the reproduction of the conditions of production. Though rural conditions may have been as bad, or worse than urban conditions, it can scarcely be predicated that the luxury and privilege of the few in early nineteenth-century Great Britain can have been anything but offensive to millions of wretchedly housed and fed human beings, constantly at the margin of survival, and in constant touch with thousands of their fellows in like condition. Accordingly the consensus was fragile and a form of police control crucial in the overall

structure of social control. (39)

There is a gap between the demise of agrarianism and the crystallizing of the new consensus, a gap which is problematic in the extreme for the structure of social control. The transition is not, actually, so much the move from the rural and agrarian to the urban and the industrial, as from pre-capitalist to capitalist organization, whether agricultural or industrial. During the transition the bourgeoisie have tended to possess very great powers over their fellows. They have tended to favour social arrangements which eventually would appeal to most members of society; but the gap of some decades before the masses have accommodated themselves to the new system, has in most cases been precarious vis-a-vis social control. Thus Giddens is fully justified in his claim that it is the early stages of capitalism, not the more mature, which are revolution prone, (40) witness the repressive nature of social control in societies like South Korea, Ivory Coast, Mexico, Brazil and Singapore. This is true despite the success of some of these societies in terms of economic growth and improvements in living standards.

Both nineteenth-century European society and twentieth-century "early" capitalist societies, have also been characterized by relatively articulate revolutionary threat, by socialist ideologies which challenge the whole basis of social control. Pace Julius Gould (41) there is little evident "danger" from this source in the advanced capitalist societies. The French experience, for example, seems to be

that a successful capitalist economy is not inconsistent with a widespread Marxist persuasion among the intelligentsia. But early capitalist institutions are too uncertain, and early capitalist consensus too embryonic, to accommodate such revolutionary challenge easily. Since contemporary Marxist regimes actively promote Marxist revolutionary movements in those parts of the world which have not yet been gathered to the bosom of the faithful, it is not surprising to find even very successful early capitalist societies like Taiwan and South Korea associated with massively repressive apparatuses of coercion.

What tends to happen under early capitalist modernization is that the physical capital stock initially outstrips the human capital stock. Those trends in society which make for class war, for social resentment, for relations perceived as exploitation, develop faster than those which, like a developed human capital order, tend to generate deep-rooted integrative consensus. However, contrary to Marxian eschatology, much of the evidence before us points, not to an ultimate cataclysm, the last stages of pre-history, not to an unbridgeably polarized class structure, but to a powerful accommodation. The two capital stocks come to achieve a marked degree of functional interdependence, as, brilliantly perceived by Durkheim, the complex division of labour generates an organic solidarity.⁽⁴²⁾ The occupational structure comes to dominate the anatomy of class,⁽⁴³⁾ as the social relationships generated by human capital formation

come in considerable degree to oust those reflecting the existence of private property. Conflict is not eliminated; indeed any society which recognizes scarcity, and the concept of a variety of interests, necessarily recognizes conflict.⁽⁴⁴⁾ This implies both a recognition of those rules within which conflict will operate and also of the necessity for periodic redefinition of the rules. To some extent these flexibilities are formally codified; to some extent they are spontaneous, reflecting the insistently changing technology which they also facilitate. It may fairly be claimed of the evidently lightly policed states of modern capitalism, that the bitter fires of earlier conflict have burned themselves out, as a growing proportion of the population come to feel they have gained, or anyway act as if they have gained, a capital stake in society. A new, deeply internalized rule-system, the market code, the dominant cultural category of capitalism, comes to characterize socio-economic life.

A new society is born, based on hitherto unimagined assumptions and achievements. Prosperity and comfort which under previous dispensations would have seemed regal, become commonplace. Pace Illich⁽⁴⁵⁾ there develop unprecedented longevity and standards of health. Pace Braverman⁽⁴⁶⁾ there is the most extraordinary diffusion of knowledge in the population. Yet against the celebrations of Spencer, Parsons, Keynes, Popper, Aron, Friedman and Hayek, must be ranged the indictments of Marx, C. Wright-Mills, Althusser,

Sartre and Marcuse. Thus we may ask questions the responses to which we have till now only adumbrated. What is capitalism? What is the structure of social control under capitalism? Where does the individual stand as between coercion and consensus? What is the socio-economic significance of human capital formation in this stance? It is to a consideration of these issues that we now turn.

III

The Socio-Economy of Contemporary Capitalism

One sad feature of human capital theory has been its failure, so far, to enliven other branches of social science. This is unfortunately as true of taxonomic studies as elsewhere. Yet it may be claimed that the classificatory question: what is capitalism? can be partly answered in terms of human capital theory. By this I mean nothing so immodest as the claim that I am going to offer a definitive socio-economic characterization of capitalism. "Capitalism" is an intellectual construct, not an entity. What I am suggesting is that it is not possible to explain satisfactorily the differences between our kind of society and the society it has displaced, without taking account of human capital as an historically distinctive type of skill-formation.

For Marxists the question of the nature of capitalism has never been in doubt. The essence of capitalism is the conflict between capital and labour,⁽⁴⁷⁾ the former in huge accumulations and the latter dominated by a system of generalized exchange, both on a scale distinguishing capitalism from previous social formations. I believe this to be a false formulation, as I shall try to show, though the descriptive elements, capital formation and a "free" labour market, are perfectly correct in themselves.

Can capitalism be defined in terms of private ownership of property? Not very satisfactorily, for many past societies we would not call capitalist were also characterized by considerable private ownership. This was the case in ancient Mesopotamia, and also in classical Greece and Rome.⁽⁴⁸⁾ Yet we do not think of these societies as capitalist. In such cases, as in modern Socialist and Third World societies which have varying degrees of private enterprise and exchange systems, it is perhaps best to speak of a "proto-capitalism".

But is ownership alone the key? Is it not rather the co-existence of private ownership and a competitive economy that is significant? In fact there may be grounds for denying this. As Blaug⁽⁴⁹⁾ and Brittan⁽⁵⁰⁾ point out, the competitive character of an economy bears no logically indispensable connection with private ownership. Indeed there are a priori grounds for thinking that a nationalized economy could achieve greater competitiveness than one

characterized by widespread private ownership, since the state could remove or reduce the obstacles to the efficient working of the price mechanism, such as monopolies, unions, arbitrary conventions and other rigidities. However, a priori is indeed the correct term. Such an approach might even be called economistic, since it leaves out the psychological question as to the felt relationship between private ownership and economic action and the sociological issue as to the relationship between economic action and social consensus. In other words, the degree of competitiveness has unavoidable psychological and sociological elements. As Raymond Aron says: "There is no logical contradiction between the collective ownership of the means of production and consumer sovereignty; but there is both a social and psychological incompatibility. Why should we now witness, for the first time in history, a powerful minority of such virtue that it bows before the wishes of a majority which it has the effective power to constrain?" (51)

In the event, it is the case that empirically we do indeed find that competition involves private ownership. The connection does not work however, or at least not nearly so fully, the other way round. Private ownership does not imply competitiveness, as the fascist experience shows. (52) This has particular significance in the case of the labour market, as we shall see in our chapter on socialism. Fascism shares with communism a tendency to emasculate the labour market, to secure a bias of social human capital compared

to private or even to render human capital, by a historically retrograde process, a mere skill-formation.

True, we may nevertheless say that modern Western societies are characterized by relative private ownership, and by relative competitiveness, while modern Marxist societies are based mainly on public ownership and planning. This, however, is to paint empirical pictures. It does not conceptualize the problem.

What has Max Weber to say on the subject? He quite rightly asserts, "we will define a capitalist economic action as one which rests upon the expectation of profit by the utilization of opportunities for exchange." (53) While this is true, Weber immediately points out that we will find this in "all civilized countries". (54) In fact, the specific feature of modern Occidental capitalism, says Weber, a very distinctive form is "the rational organization of labour". (55) Even this, however, would seem to distinguish the modern West only in degree. For that reason Jean Baechler finds it wanting. (56) As we shall see in our chapter on modern socialism, there is a peculiar tension between the ideological egalitarianism of such society and the inequality that the wage-labour system, which also characterizes such society, inevitably brings with it. No socialist society to date has been able to dispense with the wage-labour system, presumably because wage-labour and indeed the money economy in general, are not dispensable in

an industrial or industrializing society. For this reason wage-labour cannot be identified as the only sine qua non of capitalism. Wage-labour is a necessary but not a sufficient condition of capitalism.

In fact a useful socio-economic glimpse into the character of modern capitalism is given by a leading contemporary Marxist in his critique of Ivan Illich: from Herbert Gintis we learn that the "normal operation" of capitalism involves "markets in factors of production". (57) Evidently "consumer consciousness is generated through the day-to-day activities and observations of individuals in capitalist society." (58) Furthermore there is "a market in labour" (59) and "the price of a particular type of labour (skilled or unskilled, white-collar or blue-collar, physical, mental, managerial) is determined essentially by supply and demand" (60) (my italics).

Gintis also identifies the land market as dominated by supply and demand, and goes on to speak of "income determination on the basis of market-dictated returns to owned factors of production". (61)

Finally Gintis opines that "individuals consume as they do -- and hence acquire values and beliefs concerning consumption -- because of the place consumption activity holds among the constellation of available alternatives for social expression". (62)

This is well said. It is also worth noting, since Gintis is not always consistent, that here it is the capitalist

economy he is rejecting, not the economics. There could, after all, scarcely be a straighter neo-classical picture. Obviously I am being selective. There are statements in the same essay, necessarily contradictorily it seems to me, which are extremely hostile to the neo-classical view. But what is interesting in the views which I have extracted is a thumb-nail sketch both of the economic workings of a market economy and of the economic socialization of individuals, the process of their internalizing the market code.

However, what these various approaches do not, and cannot do, is to refine the discussion with the conceptual advances wrought by modern students of the division of labour. When we bring human capital theory into the portraiture, we see at once that the Marxist formulation is wrong. There is not one capital: there are many and of these, one, human capital, is as important in modern capitalist society as physical capital.

Extrapolating from Gary Becker⁽⁶³⁾ and the other exponents of human capital theory, we may say that modern capitalism is characterized by a highly generalized tendency to individual capital formation, both with regard to productive plant and machinery, and with regard to labour. This is not a sufficient characterization, but it is a necessary one, that is to say that any society which does not meet these criteria is not a capitalist society.

The fine print of our skeletal characterization can

be spelled out. Namely, that a situation of generalized capital decision-making presupposes one of economic decision-making more broadly conceived. One cannot make savings decisions, by definition, if one cannot make consumption decisions. Furthermore, this whole complex of economic behaviours, since by observation they are clearly only very lightly policed, requires a facilitating mental machinery, a powerful consensus, whatever the incidence of observable conflict.

The capital formation aspects of education, training, medicine, migration, job search and so on, must be counted as indispensable to any comprehensive notion of a capitalist society. Indeed, the burden of this whole thesis may well be that such is the indispensable capital, the real logic of industrialism, the basis of capitalism of labour, a capitalism of occupation.

Raymond Aron says, "today's industrial society is not the capitalist society Max Weber knew. It is no longer essentially bourgeois or even essentially capitalist, if capitalism is defined primarily by the ownership and initiative of the private entrepreneur."⁽⁶⁴⁾ Here Aron is referring to such issues as the shift of industrial power away from ownership to control, and the rise of a middle-class ascendancy in place of the bourgeois domination of early industrialism. This is an issue we shall discuss later. But for the present may we presume to extend Aron's position? Cannot human capital theory serve as a focal point

of that extension? Does not human capital theory permit a tighter formulation of the managerial thesis, and of the idea of a "techno-structure"?⁽⁶⁵⁾ Capitalism is still about capital, but physical property does not exhaust capital, or even predominantly define it.

What has emerged from my remarks so far, however, is that no definition of capitalism in purely economic terms will suffice. An economy is also a social entity, a set of social arrangements. What must be incorporated into any satisfactory analysis of capitalism, is a study of the set of social arrangements which support, indeed constitute it. We must stress this social character of economic life, for even so distinguished a philosopher as Sir Karl Popper sometimes reveals an inadequate sense of the social. Speaking of the "paradox" of freedom, Popper takes economic freedom as an example in point.⁽⁶⁶⁾ It leads, he believes, to the virtual enslavement of the poor. For this reason an economic interventionism is justified. More specifically Popper asks: "Which freedom should the state protect? The freedom of the labour market or the freedom of the poor to unite?"⁽⁶⁷⁾

This seems to me a false view of economic life. Constraints are always brought to bear on an economy. The question is what balance social control shall take between formal, legal or governmental compulsion on the one hand, and consensual control on the other. Obviously there is an overlap between the external and the internalized sources of control -- for example, law may often reflect consensus and,

indeed, in liberal society, mostly does. What I am driving at is the distinction between agreement and coercion. An economy where the few could systematically exploit the many would not be a consensual society.⁽⁶⁸⁾ Similarly, a labour market where the poor are not free to unite is not a free labour market, though this is not to say that such freedom does not bring tensions, difficulties and conflicts.⁽⁶⁹⁾ All socio-economic life is subject to control. A liberal capitalist economy can more easily facilitate the interactions of consumers and producers than its unfree alternatives such as fascism and communism. In that sense it is freer. However, it is not less controlled than they but more so. It is true that control under capitalism is not centralized, indeed it is highly diffuse; but it is far more effective than control in communist society. The endless, surface administration of men under totalitarianism is not evidence of the ability of such societies to control their members. Quite the contrary: it expresses their inability to do this. They depend on coercion. They have little ability to disseminate an internalized pattern of control. Let me emphasize that the presence of legitimated, consensually based control, which is both the basis and masterpiece of the liberal capitalist order, is indispensable to capitalist economic life. The opposite condition is not freedom, but anarchy or despotism. This is to make large claims for the consensus. Thus in the next section we must analyse in detail what we understand by consensus in the advanced capitalist world.

IV

Capitalism and Consensus

According to Jean Baechler, "one could maintain.....that the capitalist system is precisely the first economic organization that makes possible a more or less widespread participation of workers in decisions that concern them." (70) Here Baechler is referring to men's discretion over their productive situation, and reaching a conclusion sharply at odds with Harry Braverman's de-skilling thesis, a lugubrious attack on modern capitalism which we shall consider in some detail later. (71) It is in relation to pre-industrial societies that Baechler feels able to make his pronouncement. In a succinct statement on social control in the pre-industrial world, Baechler says: "In pre-industrial agricultural systems the decision-making power of those who carry out orders is, so to speak, non-existent." (72)

However, it is not in the matter of men's control over their direct, productive situation, that capitalism really excels. (73) The real liberation, surely, is in the power over resources which a system of decentralized spending presupposes. This is as true for deliberated investment in skills as it is for the purchase of goods and services.

Such a position, it is clear, is merely an elaboration of Samuelson's famous "The Consumer is King". (74) I believe that this epigram tells us much about capitalist society.

It is the essential individualism of Samuelson's dictum which engages me. The debate in advanced capitalist society, it seems to me, comes to this: is the individual citizen to be construed as the passive, helpless plaything of monopoly caprice or remorseless structural exigency, or as an active, negotiating agent in his/her own affairs?

We repeat that there is no inevitable conflict between social control and freedom.⁽⁷⁵⁾ Quite the reverse: freedom presupposes control. Only the deeply socialized being can become an autonomous social actor. The absence of deep and effective socialization is not freedom but anarchy or despotism. Indeed these two latter conditions are akin. Modern despotic regimes involve a savagely repressed disequilibrium. The attempt to organize a social order which is uncongenial to the mass of people, generates anarchic and disruptive social behaviour which can be held down only by a highly coercive police regime. South Africa is a good example. The government there seeks to fetter the majority of people within an artificial life. For example, there is the policy of paying black labour below its marginal productivity, a policy which reflects social principles that most black people will never internalize, and which prevents the emergence of South Africa as a fully developed capitalist economy, since the crucial feature -- a rational labour market -- is absent.

If we apply our tri-partite model of social control to modern industrial capitalism, we find that modern capitalism

has a light structure of external social control, and a strong structure of internalized social control. Even critics as hostile as Barrington Moore are prepared to admit admit the relatively free character of advanced liberal society.⁽⁷⁶⁾ The implication is a considerable diminution in the role of the administrative matrix in the securing of social control (though it may well increase in terms of social administration), and an enhancing of the role of the societal consensus.

Under capitalism, the administrative matrix comes to be drawn and structured in such a way that a very considerable private domain is allowed to the individual. This does not mean that the structures of government and state are not costly or elaborate. On the contrary, government and related agencies in modern capitalist society absorb vast resources and employ very large numbers of people. In earlier societies, little interest was taken in the health and instruction of the masses. Today no citizen can legally evade the ministration of society's formal matrix in this regard. The issue is not scale or expense, but the social principles embodied in and expressed through the administrative matrix, the significance of state activities in the securing of social control. In the event, whilst there has been a weakening of classification between government on the one hand, and the instruction of children and the health care of the citizenry on the other, I strongly cleave to the view that, in general terms, under modern capitalism the

administrative matrix is strongly classified and the external frames on the citizenry are rather weak.

For the conceptual proof of the pudding lies in the evidential eating. The citizens of contemporary Great Britain, France, U.S.A. and other capitalist societies have unprecedented choices over where they work and at what, how much they spend and on what, how they do or do not worship, eat, dress, travel, read, write and speak. In this sense our citizens are not merely freer than the citizenry in other parts of the world: they are also immeasurably freer than their own ancestors.

The governments of contemporary capitalism are not in general weak, but strong. They are strong because they have the authority of consensus. They can be contrasted with modern socialist governments which are not so much strong as coercive, reflecting a lack of authority deriving from the weak socializing power of socialist society. In this regard it is instructive to consider Machiavelli.⁽⁷⁷⁾

His genius lies in his recognition that civilization requires strong government, and involves, in the end, sheer compulsion. His insight that the preferred system will be that which seeks, in the words of one of his admirers, "an economy of violence",⁽⁷⁸⁾ that is, a minimization of coercion, can be expressed in Bernstein's language. Classification will be strong, and coercive, external, frames will be minimized, under a civilized dispensation. The great Renaissance scholar could not, however, have understood the socio-psychological

condition of that situation. Not till Freud and Durkheim do we grasp that society does not merely regulate but also constitutes, in some degree, its individual members. (79)

Thus in his treatment of coercion, Machiavelli takes it to be a basis, while in reality it is only an instrument.

What crucially separates my position from a Marxist approach to society under capitalism, is the view of consensus espoused. That consensus is enormously powerful in modern capitalist society is scarcely at issue. The relatively light imposition (by all actual and historical standards) of direct administrative control, is quite obvious. The question then concerns the character of the consensus. In the Marxist critique of capitalist society, consensus is a false consciousness, embracing bourgeois and proletarian alike. Society is essentially a power hierarchy. Consensus is one of its instruments, the state and related agencies another, and private ownership in the means of production its fulcrum. (80)

In my schema, consensus is seen as the fons et origo of social order. Let me stress that I am engaged in an analysis of circular reciprocities. In a discussion of inter-related phenomena, it is always hard to know where to intrude one's analysis. I choose consensus not because I view it as an actual independent variable -- that would be an absurd reification -- but because consensus seems to me a crucial confluence of influences and a crucial source of outcomes.

The determinants of consensus are many and complex, and may, like the industrialization in which they are embedded, have a genesis which will remain forever in some degree inscrutable. We can be sure, however, with regard to the maturation of the consensus in advanced capitalist society, that human capital formation is a condition sine qua non. I am speaking of an implicit notion of human capital, such as the belief that special skills should receive incremental pay. Such a belief expresses the insistent imperatives of the "human capital order". Under mature capitalism, government itself comes increasingly to be an agency of consensus and in general I would argue that the outstanding characteristic of a society based significantly and increasingly on a human capital order, is that the balance between coercion and consensus must move significantly and increasingly towards the latter.

The structure of hierarchy also reflects the consensus in considerable degree in that there is a large measure of agreement that hard work should be rewarded by income and status recognition, and there is a belief that people should be able to pass on their property to their children. In a word: there are strong meritocratic and proprietary elements in the consensus in capitalist society. Both in the administrative matrix and in the structure of hierarchy, we find, of course, some behaviours which are at variance with the general consensus. Thus we find governments abolishing capital punishment in the teeth of majority opinion, and

industrialists, governmental agencies and trade unions acting in ways which evoke extreme public hostility. Many strikes are a good example.

In other words there are groups which possess "power" -- an ability to make decisions which have significant outcomes for individuals and groups other than the decision-makers. Power is an arbitrarily derived ability to constrain the behaviour of others.

In a sense some forms of hierarchy derive initially from consensus, and then, as it were, partly break free from it, gather a degree of autonomy which can even contravene consensus. For example, there is widespread agreement that men should be allowed to save, to accumulate capital, to make themselves rich, and also that they should be allowed to form associations to protect their livelihoods. We find expression of this formally enacted in law. At the same time there is widespread resentment at the closure of workplaces and at the interruption of production by industrialists or workers. In other words, consensus is never total, and always partly ambiguous or ambivalent. (81)

Thus it may be said both of the administrative matrix and of the structure of hierarchy, that they in considerable part derive from consensus, in part break free of it, in part by a process of back-reflection themselves inform it, and in part contravene it. The hierarchies among men, and their administrative arrangements, always afford a degree of power to some individuals or groups. There is clearly, also,

an interplay between the structure of hierarchy and the administrative matrix, as central and local government and other agencies in the administrative matrix are pushed and pulled by various power and interest groups. What may, however, be claimed of advanced capitalist society is that it is unique in the extent to which hierarchy and government derive from consensus rather than coercion, distinctive in the degree to which it prevents men from exercising arbitrary control (power) over their fellows. We argued in our chapter on pre-industrial societies that over and above their extreme variety in some regards, they shared the common characteristic of brutal and intractable social divisions, upheld by coercion, that is to say, based on power relations. This, we shall argue in a later chapter, is also characteristic of modern socialism.

The consensus is widely disseminated in modern capitalist society. It is economic, social, political, philosophical, ideological and legal. Indeed these adjectives are only a few of those which could be applied. The consensus is differentially distributed, partly sub-rational in character, and though no citizen can avoid internalizing many of its imperatives, no one person will be entirely dominated by it. To argue that a person's behaviour could be totally regulated by social values is a gross sociologism, and we will leave reductionist views to those arrogant or partial enough to espouse them. In any case modern industrial society is characterized by rapid and endless technological change,

with the implication that a functional fit between consensus and technology must involve a flexible lodging of the principles of the former in the outlooks and behaviour of individuals. The consensus must, therefore, embrace not only stability but the inevitability of change, for example, the need for the frequent reallocation of resources. The extraordinary prevalence of intra and international migration in the advanced economies, an extremely important kind of human capital formation, brilliantly exemplifies this flexible socialization.

The fundamental notions of the consensus may be listed, tentatively, as the concept of the market, the rule of law, the idea of the individual, the possibility of socio-economic progress, and the tractability of nature. Such ideas can be incorporated under the Weberian concept of rationalization. I realize that such notions may appear arbitrary, plucked, as it were, from an impressionistic air. In a sense this criticism seems valid. These ideas have no common reduction; in that sense they are arbitrary. On the other hand they do slot into a unifying conceptual framework: the idea of a human capital order. I shall try to establish this position.

I have summoned up Weber's concept "rationalization" to serve as a catch-all for the central notions of the liberal consensus. However, though I am in strong general sympathy with Weber's extremely voluntarist view of man -- he seems to me the sociologist most reconcilable with the economic

neo-classicism of which human capital theory is so eloquent an expression -- and I have throughout this thesis stressed the active, participatory character of individual life under capitalism, I am also plainly indebted to Durkheim and Parsons, and the whole functionalist tradition of a governing consensus. In so far as I leave any room for a Marxist view, it will be in following Brian Davies in his claim that while functionalist questions often make perfect sense -- it is usually reasonable to ask of socio-economic phenomena of an enduring kind, what they do -- it is also the case that the answers to such questions come back to us from individuals and groups with widely differing interests in, and power over, the status quo. (82)

The consensual ideas I have listed above, whatever their -- inevitable -- refraction through interested special pleading and manipulation, are some of the central features of the mental atmosphere of advanced liberal society. They are the consensus, and without their general internalization, however modifiable by human will and whim, mature capitalist society is unviable.

Certainly I am proposing that the transition from a pre-industrial society to a capitalist one, requires a much more deep-rooted code shift than is the case when the change is towards socialism. Indeed, if there is a central viewpoint in this thesis, it consists in these two linked statements: first, in terms of social control it is capitalism, not socialism, which is the historical newcomer; second, that

the structure of social control in a capitalist society cannot be understood without reference to human capital formation.

I shall deal with the first of these propositions in a subsequent chapter. I have already argued that I have listed the components of the consensus at a rather low, impressionistic, sub-theoretical level. However, if one component approaches, in some degree, a matrical position in relation to the others, it would seem to be the idea of the market. It behoves me first, perhaps, to analyze this conception.

The Market Code

For Basil Bernstein the "deep code" of capitalist society, its "dominant cultural category", is class.⁽⁸³⁾ I believe that this conceptualization is wrong, or anyway incomplete. The core code of capitalist society is the market code, the principles of buying and selling, of prices and scarcity, of consuming, saving and investing, of cost and return. We may even say that capitalist man may be termed "homo calculans". This code is the quintessence of capitalism, and is a wider concept than class, partly subsuming the latter. Class is obviously an important social fact. Its origins in some respects do lie within consensus, but it is also related to the issue of power -- that is, a form of social control, a

hierarchical situation not validated by consensus. We repeat that the socio-economic life of capitalism requires a consensus which in some degree generates social stratification. However, hierarchical positions themselves generate semi-autonomous power relations. The hierarchies of modern capitalism are a confluence of power and consensus. Thus we can say that the class structure of contemporary society lies both within and without the value consensus. This, in turn, implies that class cannot be the dominant cultural category as far as our schema is concerned. The market code, however, is central. One cannot imagine a market economy without a market code. One can conceive, however far-fetchedly, of a capitalist economy with a very drastically attenuated class-structure.

The code is internalized by all individuals, though differentially and incompletely. It comes to the individual refracted through class interests, to which in turn, some of its principles, we repeat, do correspond. In some measure, the consensus actually celebrates hierarchy. Along with the principles of buying and selling go derivative hierarchical notions like the legitimacy of property, of income differentials and so on.

If I am right in arguing, against Durkheim, that in agrarian society, socialization was much less complete and effective than under capitalism, I am arguing that such society did not generate a significant market code. The economic socialization of the individual was much less thorough as well as less complex. For the market

code, and the wider consensus of which it is an integral part, announce the emergence of new societal classifications and frames, a general emancipation in the relations between the collectivity and the individual. The consensus regulates the general pattern of experience. The individual is not heavily policed because society has built its principles into the very structure of his being.

There is a school of psychological thought which takes man to be an inherently scientific being, in that his problem-solving behaviour involves continuous hypothesis creation and empirical testing.⁽⁸⁴⁾ The idea has intuitive appeal, and it could perhaps be argued that modern, capitalist society, which is certainly the creation of man's extraordinary mental faculties, is a better adjusted functional locus for them, than any presently conceivable alternative. In a sense also, the modern capitalist world is more "economic" than its predecessors or present rivals. It involves the knowledge of a complex rule-system. It forces every citizen into economic decision-making. In some degree every citizen is now an economist, and his economic decision-making can be regarded as an emancipated expression of his inherently scientific nature. This can be appreciated by a brief examination of the concept "scarcity".

A striking aspect of the problem of scarcity, a problem which I take to be binding, is the following paradox: namely that one can make inroads into the problems caused by scarcity only when it is generally recognized that scarcity is a problem. The general recognition of scarcity, however, can occur only in the context of generalized economic behaviour. For to say that the problem is not recognized in economic behaviour is only to say that the problem is not recognized. The incorporation of the notion of scarcity to the general economic behavioural repertoire of the citizenry under capitalism is a central element in the internalization of the market code. This is to say that the effects of scarcity can be ameliorated only when the economic system is such that a fairly sensitive market registration of scarcity (especially via price signals) becomes the general rule. The only way to transcend a problem, if it can be transcended at all, involves an initial recognition of its existence. The price system, predicated on the calculus of scarcity and choice, distributes much more accurate information on the structure of relative scarcities than could a more primitive economic system. Its ability to create relative abundance depends on its ability to identify relative scarcities. This is why we may take the concept of scarcity as a crucial feature in the market code which sits at the heart of the value consensus of modern capitalism.

It would be a mistake to assume that the consensus is associated with a smooth, untroubled, always harmonious

social order. The market code and the capitalist society it reflects and governs are Janus-faced. Capitalist society generates conflict as well as agreement. Some aspects of ideas about sex and race and age, some aspects of competitive consumerism and the occupational rat-race doubtless do have their origin in the social organization of capitalism. One must avoid at all costs confusing an elegant model of society, like the neo-classical model, with society itself. For neo-classicism, like functionalism, like Marxism, is a model. Let us again beware reductionism. There are no grounds for assuming that in a capitalist economy age-less, sex-less, race-less individuals make perfect economic choices, that is, choices based on a perfect understanding of utility, of opportunity costs and so on.

I obviously believe that this perfect model has its uses, and a cautious version of it is, indeed, a key to this whole thesis. However, it is vital to recognize its somewhat remote and stylized character, which yields only partial insights. Thus, when we approach the warts of capitalist society, identified by hostile critics as structural flaws irremovable this side of a revolutionary restructuration,⁽⁸⁵⁾ but viewed as incidental abuses by tentative supporters,⁽⁸⁶⁾ we are indeed confronted with an identification problem. Are greed, consumerism and competitive striving, transcendable demerits of the private capital order? Or, as I suspect, the issue not being fundamentally amenable to metrification, are these blemishes in considerable degree

derivatives of our very human substance?⁽⁸⁷⁾ I take it that to some extent these demerits do not relate in a logically necessary sense to private property or the pursuit of profit. To assume that they do is to engage in gross reductionism, to assume that everything socially visible has a social origin. Such a procedure fails to recognize that conditions such alienation and anomie may originate in a sub-stratum of our humanity which economic and social theory can never fully penetrate.

There is a sociological hubris which consists in regarding the social order as the only significant order for our species. Such a stance combines ignorance and arrogance. The evident fact that a phenomenon as complex as a capitalist society can cohere without massive, obvious coercion, is a testimony, sufficient in itself, to the extraordinary social powers of man. There is no need to attribute explanatory force to society over and above its already extraordinary attributes. We are indeed such stuff as dreams are made of. It is only a colossal vanity of some social scientists that such dreams could arise exclusively from social life.

The Rule of Law

I am not in any sense a scholar of jurisprudence. Yet it seems clear that the rule of law is crucial to modern

civilization. Let us note, for example, the importance of the independent judiciary to the analytical schema we have espoused. The independent judiciary presupposes strong classification between legal and non-legal instruments in the structure of social control. For the purposes of our analysis, the rule of law presupposes the defence of person and property. The latter must be defended if a rational market for the deployment of physical capital is to be created and sustained. Without clearly articulated legal protection of persons, the inalienable rights which human capital formation involves cannot exist. Indeed, the gradual regularization of the overall legal frames on labour, so far from enslaving the masses in the chains of the corporate state, is a main condition of their emancipation. (88)

The conception of the rule of law in advanced capitalist society connects to a related notion of the limits of governmental and state competence. Au fond, classifications and frames together constitute the informal codes of social control. Classification defines the extent to which there are principled divisions between areas of social life. Frame is the management of individual or group action. The principles underlining societal frames define the individual's or group's powers over the contents of action, over the range of choices, over the weighing of preferences, over the selection, organization, timing and pacing of activities. In advanced liberal society, the

individual has unprecedented discretion over the management of his life. The rule of law celebrates this discretion. A fully developed human capital order is inconceivable outside such a dispensation.

The Individual: The Idea of Competence

The idea of the competent individual is crucial to the market code, indispensable to the control structure of advanced society. It expresses the optimistic psychology characteristic of capitalism. Marxists like Gintis take capitalism to be inherently pessimistic.⁽⁸⁹⁾ In my view it is modern socialism which is pessimistic, it is collectivism which distrusts the individual. It is capitalism, the supreme expression of the Enlightenment, which celebrates the individual, competent person. It is in the modern capitalist world that intellectuals hostile to the existing order are allowed to flourish. In the most relaxed of modern socialist societies, Yugoslavia, we find her greatest intellectual scion, Milovan Djilas, either confined in prison, or languishing without rights of travel or publication.⁽⁹⁰⁾ That, surely, is the fundamental pessimism. It is an optimistic dispensation, falsely dismissed as "repressive tolerance",⁽⁹¹⁾ which can permit a Sartre, a Hobsbawm, a Marcuse.

These distinguished scholars, and the freedom accorded

them, however, are not so much exceptional, as exemplary. The competent individual is crucial to the capitalist consensus, crucial in the notion of a "property-owning democracy". Without a widely established notion of competence, there cannot be widely disseminated economic decision-making. Clear competence accorded to the individual presupposes a clear delimitation of the proper functions of government, and an attendant weakening and diminution of the frames on the citizenry, or rather the replacement of external by internalized frames. The opposite, centralism or collectivism, presupposes, as the Mackenzies make clear in their study of the Webbs, a strongly oligarchic conception of government. (92)

The notion "competence" is applied in liberal society to institutions and sub-systems as well as to individuals. The family is competent, the church is competent, the civil service is competent, the firm is competent. Interestingly, the first and last items in this list are perhaps the two crucial units of analysis in the study of capitalism. As we shall see in our later analysis of the educational sub-system, the notion of competence has extremely interesting outcomes with regard to the non-capitalist sectors of liberal society. Specifically, it helps to engender a partial unpredictability between societal system-parts.

The conception has its dangers. Children and citizens can through it be left to the mercy of ignorance, philistinism, pejorative advertising, pejorative bureaucracy, monopoly

pricing and so on. But, advantageously, competence suggests the family in which the state does not intrude, the school it does not dominate, the productions it does not manage, the citizen it does not regulate (except in a clearly defined limited way), the ideologies it does not manage.

Private human capital decision-making presupposes competence. It presupposes the citizen who is allowed to move, the youth who is allowed to train as he chooses, the student with discretion over his studies. Competence presupposes the liberal consensus and its attendant market code. Its emergence represents a sea-change compared to the restrictive principles of social control in pre-industrial societies, principles which we shall later find intact, indeed ambitiously enlarged beyond all precedent in modern socialist society.

The idea of competence co-exists with the idea of incompetence. The notion that many people are incompetent underlies much welfare administration. Modern states, in some vital respects, classify official government more weakly, and frame their citizenry more strongly, than was the case in pre-industrial societies. Generally the citizens of modern capitalist societies have greater freedom with regard to economic decision-making, as we have tried to show. But in regard to the management of education and health expenditures in particular, the role of the state has been greatly expanded. Thus we encounter the seeming paradox that an indispensable element of modern capitalist

society, its human capital stock, is in considerable degree accumulated, modernized and maintained in institutions which are ^{not} themselves capitalist, that is, their productions are not bought and sold according to market principles. This has profoundly significant outcomes as we shall see in our later chapters on education.

The Tractability of Nature

The notion that the world we live in is manageable, that various forms of engineering can contain and massively modify it, is of comparatively recent origin. To the ancients it would have seemed dangerously Promethean. Today, whatever the dangers it brings, the notion that we can conquer our problems through reason and action is widespread. Indeed, there is a hubris in some of its manifestations. For example, we find widespread beliefs that the future is readily predictable, and reductionist notions like the absurd claim that all reality is socially constructed and that we can make the world what we like. I believe that the charge of sociologism can be laid at times at the door of such different persuasions as Marxism, functionalism and phenomenology. This last's tendency to over-stress the ability of individuals and groups to put their world together, pays as little attention to physical and biological

orders of human reality, as its antipathetic structural opponents.

Rostow, as we have already seen, locates the sources of modernization in the profound intellectual changes from the seventeenth century onwards, for example in the works of Descartes, Newton and Leibniz.⁽⁹³⁾ The change was specifically European, unique both historically and geographically. Thus it is apparent that Marx's famous nineteenth-century pronouncement is actually false:

"Philosophers have hitherto sought only to understand the world; the point however is to change it."⁽⁹⁴⁾

This is not one statement, but two. The first is a false descriptive-historical statement, since the very core of the Enlightenment is a belief in the manageability and perfectibility of the world. The second statement is an arbitrary prescription which cannot be derived from the first. The two statements are meretriciously coupled to create the impression that they constitute a logical unity.

We have argued that the shifts in the intellectual life of early modern Europe were essential to the development of industrial capitalism in general, and that this is notably true of the characteristic nature of skill-formation in such society: its organization as human capital.

Thus while Koestler may be right that the Enlightenment signalled a dangerous split, a divided house of reason and faith,⁽⁹⁵⁾ it is proper to note that a kind of faith has been linked with the scientific rationalism of the industrial

society. There has developed a faith in the progressive economic development of the world, the belief that hopeless, grinding poverty and toil are not the givens of an impermeable order, but transcendable constraints. The hope for the poor of the world, from Adam Smith's day onward, has been the belief that wealth is not finite as the mercantilists had claimed. The realization is only initially the work of geniuses like Smith, Mill and Marshall. Its full development requires that it becomes common coin. a central principle in the market code. Donald Coleman has pointed out the widespread belief of seventeenth- and eighteenth-century English writers that it was desirable for the poor to remain poor.⁽⁹⁶⁾ This expresses a pre-capitalist view that production is limited. Such an outlook imposes a massive invisible frame on economic action if it is generally internalized. In fact, as Coleman makes implicitly clear, in the hundred-year stretch before industrialization some writers, e.g. Defoe, took up a much more "modern" view, advocating a high-wage economy.⁽⁹⁷⁾ It is impossible to demonstrate the precise etiology of the disintegration of those conceptual frames which impede development, but the attitudes of a Defoe afford us at least a glimpse of this salutary intellectual emancipation.

Of course there is pollution, of course there are slumps, inflation, unemployment, exploited marginal workforces, wars and national and international conflict. May be Koestler's repeated claim that there is a slip in our

evolutionary biology has some merit. (98) What is worth saying, however, if we lay our normative cards on the table, is that by all known historical and actual standards, advanced western society is characterized by extraordinary wealth, affluence, longevity, knowledge, freedom and tolerance.

Thus there is something deeply perverse in the modern gloom and doom brigade. There was Herbert Marcuse, the shaman-general of that age-old self indulgence of the rich and free -- the woe-woe cult. (99) There is Clarence Karier, the high priest of American Marxist hysteriagraphy. (100) There is Foucault, who represents modern capitalism, absurdly, as a kind of super-Borstal. (101) There are the blood-thirsty Sartre, (102) Althusser who wants France to be like Russia, (103) Galbraith who thanks God that he is not like other men, the fools and knaves of past eras. (104) Kenneth Minogue has properly laid many of Galbraith's pretensions bare in some merciless pages. (105) How neurotic and ill-focussed it all is, how sensitive to the blemishes, how blind to the achievements!

I maintain that the average citizen through his human capital, variously formed through education, on-the-job training, health care, migration, job search and so on, gains a stake in the in the overall capital formation and general economic decision-making of the community. Human capital formation implies a general greater manageability and tractability of the social world. In our next chapter

we will try to outline its significance for sociological theory, for the study of social class and the analysis of the state.

R E F E R E N C E S

1. Landes, D. The Unbound Prometheus, Cambridge University Press 1969, p.9.
2. Halsey, A.H. The Reith Lectures 1978, printed in The Listener. In his third lecture (26th January) Halsey notes that two out of every three middle-class men today were not born into a middle-class family.
3. Ashton, T.S. The Industrial Revolution, Oxford University Press 1962, chapter 4.
4. Bauer, P. "The Irrelevance of Class" in Spectator, 12th November 1977, pp.11-13.
5. Phelps Brown, Sir H. "What is the British Predicament?" in The Three Banks Review, December 1977, no. 116, pp.17-19.
6. Should the vigilant reader wish to bring to this grouping the charge of illegitimate bracketing of unlike phenomena, I would answer in this vein. While I recognize the huge differences between these societies, they do share in common the character of early capitalism. They are transitional societies, societies with "mixed" structures of social control. The transition is to a new modality of social control, involving a strong classification between government and citizenry, and the replacement of external, coercive frames on social

action by the internalized frames of the consensus. Such a transition must be regarded as problematic and potential. It happened in Great Britain and Spain. It may not happen in Singapore.

7. Capital and most subsequent Marxist writings, take capitalist society as characterized by a dichotomous "power"-structure whose elements are explicitly held to be in structural conflict and conceptually unbridgeable.
8. Quoted in Dahrendorf, R. Class and Class Conflict in an Industrial Society, Routledge and Kegan Paul 1969, p.52.
9. Durkheim, E. The Division of Labour in Society, The Free Press 1964, chapter 3. "Organic Solidarity Due to the Division of Labour", pp.111-132.
10. Weber's writings on rationalization are scattered throughout his work. His view must not be interpreted optimistically. Rationalization means the application of scientific technique to production of all kinds. It does not imply a general spread of informed knowledge in the population. See Freund, J. The Sociology of Max Weber, Allen Lane 1968, pp.17-24. My own view of rationalization is much more optimistic. I believe the average citizen under capitalism is quite well-equipped to manage his affairs.
11. Koestler, A. The Sleepwalkers, Pelican 1968, p.22.

12. Baechler, J. The Origins of Capitalism, Blackwell 1975, Part III.
13. Rostow, W. How It All Began, Methuen 1975, chapter 4.
14. Crafts, N.F.R. "Industrial Revolution in England and France: Some Thoughts on the Question, 'Why was England First?'" in The Economic History Review, August 1977, Second Series, vol. XXX, nos. 1-4, pp. 429-441.
15. Inglis has shown the deep intellectual divisions among scholars and politicians in the nineteenth century as to the merits and demerits of governmental intervention. See Inglis, B. Poverty and the Industrial Revolution, Panther 1972.
16. Baechler, op. cit. p.41.
17. Davis, R. "The Rise of Protection in England" in The Economic History Review, August 1966, Second Series, vol. XIX, no. 2, pp. 306-317.
18. Marshall, D. "The Old Poor Law" in Carus-Wilson, E. (ed.) Essays in Economic History, Edward Arnold 1963, vol. 1, pp. 295-305.
19. It cannot be sufficiently stressed that the Marxian (and it has become the conventional) view that the capitalist economy is the "real" economy and other branches of socio-economic life such as education, government, law and so on are "superstructural", is false. We shall make much of this falsity in our chapters on education.

20. For a commentary on Spencer's notion of "differentiation" see Peel, J. D. Y. Herbert Spencer: the Evolution of a Sociologist, Heinemann 1971, pp.180-2.
21. Kemp, T. Industrialization in Ninetenth-Century Europe, Longman 1969, p.69.
22. This does not mean that modern socialism has a low rate of social mobility. On the contrary, as we shall see in our chapter on socialism, such society is characterized both by relative classlessness and a high degree of upward social mobility, as the regime seeks to prevent crystallization of strata such as might threaten the pre-eminence of the party.
23. Pelling, H. A History of British Trade Unionism, MacMillan 1963, chapters 6 and 7.
24. Supple, B. "The State and the Industrial Revolution 1700-1914" in Cipolla, C. M. (ed.) The Industrial Revolution, Fontana/Collins 1973, pp. 301-357.
25. Hayek, F. von. The Road to Serfdom, Routledge and Kegan Paul 1944.
26. Blaug, M. "The Empirical Status of Human Capital Theory: A Slightly Jaundiced View" in Journal of Economic Literature, 1976, p.839.
27. Braverman, H. Labour and Monopoly Capital, Monthly Review Press 1974.
28. Gintis, H. "Towards a political economy of education: a radical critique of Ivan Illich's Deschooling Society" in Dale, R., Esland, G. and Macdonald, M. (eds.) Schooling and Capitalism, Routledge and Kegan Paul 1976, p.16.

29. There is a considerable literature here, but see Hayek, F. von (ed.) Capitalism and the Historians, Routledge and Kegan Paul 1954.
30. It seems, a priori, unlikely that the huge urbanization was deliberately or mainly coercively secured.
31. Plumb, J. H. (ed.) "The Historian's Dilemma" in Crisis in the Humanities, Penguin 1964, pp. 24-44.
32. Twentieth-century Marxists have on the whole shed the master's detestation of the peasantry, perhaps because modern Marxist movements have been most successful in peasant societies. For those who detest the present, the temptation to gaze wistfully back is likely to vie with the tendency to look hopefully forward.
33. Bantock, G. Culture, Industrialization and Education, Routledge and Kegan Paul 1968.
Braverman, op. cit.
34. Thompson, E. P. The Making of the English Working Class, Gollancz 1965, pp. 297-346.
35. Wilson, C. England's Apprenticeship, Longman's 1965, p.377.
36. Ashworth, W. An Economic History of England, 1870-1932, Methuen 1960.
Pollard, S. The Development of the British Economy, 1914-1967, Arnold 1970.
37. The consensus of advanced capitalism depends on the market. A plausible case could be argued that the

weakening of the consensus in contemporary Great Britain is intimately connected with the inadequacy of the modern British economy as a market system.

38. There is a clear affinity between the savage legal system of early nineteenth-century Great Britain and the coercive structure of social control in, say, contemporary Singapore.
39. We have spoken of early capitalism as a transitional structure of social control. It is noteworthy how long the traces of an earlier dispensation of socio-economic management can survive. Beresford has pointed out that the role of the common informer was not abolished in Great Britain until 1951. Until that year, an informer could claim a share of a fine imposed following an information laid against an offender -- an interesting relic of the control devices of Elizabethan England, a society lacking both a formal police and the powerful informal consensus of modern capitalism.

Beresford, M. "The Common Informer, The Penal Statutes and Economic Regulation" in The Economic History Review, 1957-8, Second Series, Vol. X, nos. 1, 2 and 3, pp. 221-238.

40. Giddens, A. The Class Structure of the Advanced Societies, Hutchinson 1973, pp. 152-3.
41. Gould, J. The Attack on Higher Education, I.S.C. 1977.

42. Durkheim, op. cit. pp. 111-132.
43. Hopper, E. "Notes on stratification, education and mobility in industrial societies" in Hopper (ed.) Readings in the Theory of Educational Systems, Hutchinson 1971, pp. 13-37.
44. Such a recognition is the basis of politics in advanced society. See Crick, B. In Defense of Politics, Penguin 1964.
45. Illich, I. Medical Nemesis, Calder 1975.
46. Braverman, op. cit.
47. Marx, K. Capital, Lawrence and Wishart, 1961, vol.1, 1971, vols. 2-3. I have read only parts of this massive work. Its central message, which informs most work in the Marxist tradition, is that private property leads to the social relation known as "capital". This relation involves exclusion from power of non-property holders, as the ruling class of capitalists systematically exploit the proletariat in the accumulation and intensification of "capital". Private property, therefore, involves an intractable conflict between capitalists and proletarians.
48. We discussed this in our previous chapter.
49. Blaug, M. An Introduction to the Economics of Education, Allen Lane 1970, p.102.
50. Brittan, S. Capitalism and the Permissive Society, MacMillan 1976, p. 54.

51. Aron, R. "My Defense of Our Decadent Europe" in Encounter, September 1977, p.15.
52. Fascism tended to reduce the sensitivity of production to the imperatives of efficiency. See Milward, A.S. New Order and the French Economy, Oxford University Press 1970, for a discussion of the irrationalities of Nazi economic policy in occupied France during the Second World War.
53. Weber, M. The Protestant Ethic and the Spirit of Capitalism, Unwin 1971, p.17.
54. Ibid. p.19.
55. Ibid. p. 21.
56. Bacchler, op. cit. p. 41.
57. Gintis, op. cit. p. 10.
58. Ibid. p. 10.
59. Ibid. p. 11.
60. Ibid. p. 11.
61. Ibid. p. 11.
62. Ibid. p. 12.
63. Becker, G. S. Human Capital, National Bureau of Economic Research 1965. I cite this seminal work as the locus classicus. The literature is, of course, vast.
64. Aron, A. Main Currents in Sociological Thought, Penguin 1969, vol. 2, p. 256.

65. Burnham, J. Managerial Revolution, Greenwood 1972.
Galbraith, J. K. The New Industrial State, Deutsch 1972. For a definition of the "technostructure" see page 71.
66. Popper, Sir K. The Open Society and its Enemies, Routledge and Kegan Paul 1966, vol. 2, p. 125.
67. Ibid. p. 179.
68. The reader will recall the argument of the previous chapter, where we suggested that the masses in such society probably did recognize the extent to which the favoured few were parasitic on their labours. This partly explains why agrarian societies have tended to have such coercive control systems. The Marxist view of contemporary capitalism, by contrast, involves the arrogant proposition that the masses are incapable of recognizing exploitation when they see it. I deny this. I also deny that most people are exploited under modern capitalism.
69. A central problem with organized labour in the matter of wage-restraint is that for individual unions the costs of restraint are concentrated whilst the benefits are diffused. See Brittan, S. The Economic Consequences of Democracy, Temple Smith 1977, pp. 258-261.
70. Baechler, op. cit. p.34.
71. Braverman, op. cit.
72. Baechler, op. cit. p.34.

73. I do not believe capitalism is anything like as black as it is often painted in this obviously important matter. However, I see no good reason for thinking nationalization the answer. In societies where there is general nationalization there are no free trades unions either.
74. Samuelson, P. Economics, McGraw-Hill 1961, p. 60.
75. Davies, B. Social Control and Education, Methuen 1976, p. 7.
76. Moore, B. Jr. Social Origins of Dictatorship and Democracy, Penguin 1969, p. 42.
77. Machiavelli, N. The Prince, Penguin 1961.
78. Wolin, S. Politics and Vision, Allen and Unwin 1961, pp. 220-4.
79. Davies, op. cit. p. 29.
80. Miliband, R. The State in Capitalist Society, Weidenfeld and Nicolson 1969.
81. There is obviously a tension between a general recognition that resources must be continually re-allocated and the pain and distress which the loss of jobs causes.
82. Davies, op. cit. pp. 38-9.
83. Bernstein, B. Class, Codes and Control, Routledge and Kegan Paul 1977, p. 181.
84. Kelly, G. A. A Theory of Personality, Norton 1955, p.4.
Here Kelly speaks of "man-the-scientist a particular abstraction of all mankind."

85. See Paul Sweezy's introduction to Braverman,
op. cit.
86. Trevor-Roper, H. "The Jews and Modern Capitalism"
in his Historical Essays, MacMillan 1963, p. 160.
87. This is the view undogmatically espoused by Ron Dore
in his critique of Ivan Illich. Dore, R. P.
False Prophets: The Cuernavaca Critique of School,
I.D.S. Discussion Paper no. 12, p.14.
88. Hayek, F. von. Law, Legislation and Liberty,
Routledge and Kegan Paul 1976.
89. Gintis, op. cit. pp.8-20.
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- The extraordinary thing about this brilliant man's writings on capitalist society is how little they reveal which would be recognizable (not to say intelligible) to most citizens of such society. For a devastating critique, see Kolakowski, L. Main Currents of Marxism, Clarendon 1978, vol, 3, pp. 396-420.
100. In one of Karier's essays he conveys the impression that early twentieth-century official American thinking on race was a proto-Nazism. This is a grotesque failure of historical sense. Racial prejudice in the United States is an historical hang-over, not an embryo of pseudo-science. See Karier, C. "Testing for Order and Control in the Liberal-Corporate State" in Dale, Esland and Macdonald, op. op. cit. pp. 128-141.
 101. Foucault, M. Discipline and Punish, Pantheon 1978.

102. As Paul Johnson points out in Enemies of Society, Weidenfeld and Nicolson 1977, p. 247, Sartre's introduction to Franz Fanon's The Wretched of the Earth, Grove 1965, is even more ferocious than that bellicose text.
103. What else can one infer from Althusser's decades-long membership of that grovelling arm of the Russian Foreign Office, the French Communist Party?
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CHAPTER THREE

HUMAN CAPITAL AND SOCIAL THEORY

Une vie d'analyse pour une heure
de synthese.

Fustel de Coulanges

INTRODUCTION

Private human capital is productivity created in human beings by their individual, rational, deliberated decisions to acquire marketable knowledge and skills, to protect these by medical care and to mobilize them by migration and job search. The concept presupposes awareness and acceptance of money and psychic costs for the sake of money and psychic returns. Social human capital involves collective decisions in regard to these activities.

In previous chapters we argued that one cannot understand modern capitalist society without recourse to human capital theory. What we must now ask is: what significance does such theory have for some of the broad issues of social theory generally? In all societies economic action and social structure are linked phenomena. Those economic actions whose outcome we conceptualize as human capital formation, and whose sociological implications we have been seeking to derive, are only one element, though an important one, in the changed relationship between economic action and social life which characterizes advanced capitalism as compared with earlier formations. Specifically, modern capitalist society is highly consensual in character, because

it involves a massive extension of relatively voluntarist market relations into men's lives, a huge increase in the number and variety of the economic decisions people make.

We have argued in earlier chapters that the rise of mature capitalism is associated with the liberation of the individual. Against the Marxists we hold that the money economy does not fetter but emancipates men, that the division of labour does not typically alienate them but permits their fuller development. Not that there are no minuses in the tally. The meritocracy of advanced capitalism is as merciless in its revelation of the ordinariness of some men, as it is salutary in its illumining the excellence of others. And for those for whom, faute de mieux, meritocracy is the only practical equality, there remain grave problems. For the human capital stock, differentially distributed among men, is actually accumulated in conjunction with non-economic stocks of knowledge and attitude, whose distribution appears intractably unequal.

However, the genius of capitalism finds its full expression at the socio-political level as well as at the economic. The relationship is not mechanistic. Capitalist society is capable of degeneration and degradation: witness the horrendous story of Nazi Germany. Furthermore, it is possible for a mainly pre-capitalist society such as India to display a sophisticated politics. But Crick is surely correct in identifying the "political" form of government

as mainly typifying advanced complex society.⁽¹⁾ Indeed, he might have said advanced "capitalist" society. Insofar as politics is taken to be the recognition of conflicts, the Marxist tradition is unapologetically anti-political, positing a non-antagonistic future against a strife-torn present.⁽²⁾

I am here accepting Crick's line that "politics" is not a synonym for "government" but a term describing a type of government. Its essence is the recognition of competing interests whose reconciliation requires public debate, under a body of binding but changeable law. In other words politics involves a consensus on procedures for the resolution of conflicts.

Contemporary social scientists, including Marxists, tend to a very wide use of the term "politics".⁽³⁾ If we follow Crick's approach, we will regard most of the world's societies as actually anti-political. In the event, I would go further than Crick: the full flourishing of politics presupposes a human capital order. In this chapter I shall address the sociological implications of human capital theory in advanced political society in terms of three broad issues: the general sociological tradition; the theory of social stratification; and the theory of the state. Once again, I shall have some recourse to the Bernsteinian concepts of classification and framing.

I

Human Capital and the Sociological Tradition

Personally I view with deep favour Mark Blaug's strictures on the dangerous cult of intellectual ancestor worship.⁽⁴⁾ If we look hard enough we can offer to many of the past's intellectual giants the paternity of this or that branch of modern social science. The game is a meritricious one. Aristotle may have said what can be represented as the proposition that demand curves slope downwards. More famously, he said that man is a social and political animal. The former proposition does not identify the Stagyrte as a proto-neo-classical economist. Neither does the latter establish him as the founder of sociology.

Thus while I find Aron's view that Weber is the greatest of sociologists convincing,⁽⁵⁾ I shall not propose that his is a sociology of human capital. Weber died half a century before the main intellectual genesis of human capital theory. Yet I shall claim that of the three most influential sociologists of the past, Weber is the one whose work is most reconcilable with human capital theory. Any Marxist sociology will perforce be hostile to human capital theory, unless domain assumptions as to the conceptual discreteness of labour and capital are shed, and then one must ask to what extent the residue is still

"Marxist". Durkheim is reconcilable with human capital, but at a remove. He is the theorist of consensus and solidarity, and as we saw in our last chapter, human capital formation does indeed pre-suppose that elaborate division of labour which is a source of organic solidarity, and does both depend on and generate social consensus. Durkheim, however, was not an economist, and his brilliant sociology was not an economic sociology, that is to say it exhibits no sense of scarcity and economic calculation.

What Weber does is to prefigure, with unprecedented clarity, the intellectual ambience of human capital theory. It is worth remembering that he was a professor of economics, and as Aron points out, ⁽⁶⁾ was persuaded of the falsity of the Marxist theory of surplus-value extraction, preferring instead to see wages as tending to settle at the level of marginal productivity. Qua economist Weber does share a domain assumption with human capital theory. However, the overlap is far stronger than this. Qua sociologist, as Hamilton points out, ⁽⁷⁾ Weber concentrates in his analysis "pre-eminently on the market relations and ethos of calculative rationality". Human capital theory, and the phenomena it seeks to explain, can be slotted, retrospectively, into the Weberian notion of rationalization, what Hamilton calls "a situation of greater technical-purposive control over nature, society and culture". ⁽⁸⁾

Weberian sociology and human capital theory share a voluntarist view of man. The metaphysic of neo-classical

economics is indeed this picture of man as active, an assessor of pain and pleasure, a weigher of present and future and a judge of cost and benefit. What is human capital theory, sociologically, but a conceptual bridge between relatively free-wheeling action and relatively enduring structure? Human capital theory convincingly links the individual, choosing man with the comparative (cross-sectionally speaking) fixities of the occupational structure, the division of labour.

In his study of Weber, Freund lists the central components of capitalist rationality as follows: ⁽⁹⁾

- (a) The appropriation of all the material resources (terrain, plant, machines, tools etc.) as the undisputed property of private and autonomous production enterprises.
- (b) A free market, instead of the irrational restriction of the flow of trade.
- (c) A rational technique, giving rise both to prevision and to considerable mechanization, both in the area of production and in that of the distribution of goods.
- (d) A rational legislation which can be clearly evaluated.
- (e) Freedom of labour, in the sense that individuals who sell their abilities do so not merely out of legal obligation but for economic reasons.

(f) The commercialization of the economy.

These conditions overlap with the schema we advanced in the last chapter. The conditions of capitalist rationality apply to human capitalism as well as to physical. These conditions as they arise historically, can also be expressed as constituting, at least in the long run, a change in the principles of social control -- a tighter classification between the realms of the private and the public, and an attendant dissolution in many of the external frames on socio-economic actions.

There is nothing illegitimate about an attempt to marry Weberian approaches and those of human capital theory. The now vast neo-Marxist theory of education is an extrapolation from an exiguous base in Marx's sociology of knowledge. Weber's "rationalization"⁽¹⁰⁾ is far less embryonic than Marx's tautology about the ruling ideas in all eras being the ideas of the ruling class.⁽¹¹⁾ I say "tautology" because in the ideal-typical sense, any ruling class must by definition control the distribution of ideas, since if it does not, it is not a ruling class. In fact, however, it may be doubted whether any class or stratum, historically or actually, has ever achieved incontestable dominance over the ideas of men. The brutal control methods of agrarian society, modern socialism, or early capitalist society, illustrate their relative ideological fragility. In the case of the Nazi nightmare, is it not the extraordinary

ease with which liberal capitalism has established itself in modern Germany, eloquent testimony of totalitarian failure to transform men's minds?

A human capital order may be said to be "functional" in the context of modern technology. Modern technology endlessly changes the pattern of relative scarcities, of comparative advantages. The much more rigid skill order of a pre-industrial society would be dysfunctional in such a context, could not cope with the unpredictable character of social change. Slavery may or may not have been economically rational in the ante-bellum American South.⁽¹²⁾ The grounds for agreeing with Max Weber in counting it dysfunctional in an industrial context are very strong.⁽¹³⁾ Though the Nazi and Soviet despotisms have involved a massive use of slave labour, there are few grounds for thinking that this has been consistent with economic efficiency. There are indeed powerful reasons for believing that the pitiful track record of the Soviet Union as a system for improving living standards, does indeed relate to its ideologically based failure to generate economic rationality, its entrapment, through its own self-defeating social philosophy, in a posture which Paul Johnson calls a "slave state"⁽¹⁴⁾ and which Peter Wiles, only slightly more euphemistically, terms a "loose prison".⁽¹⁵⁾ Slavery, caste, serfdom, socialism and other social orders of a rigidly constrained type are simply inappropriate in industrial society. They cannot cope

with the unpredictable outcomes of modern technology.

Weber is the supreme indeterminist. For Weber, as Aron points out, science can neither tell us what our future will be, nor how we should live.⁽¹⁶⁾ The process of rationalization which Weber observed in science and government, in culture and economy, is the response of contemporary society to this open future, to this root uncertainty in the human condition, an uncertainty multiplied geometrically by modern technology.

Yet though Weber does not believe in a predictable future, nor in a perfect comprehension of the past,⁽¹⁷⁾ he is alive to the irreversible character, in some respects, of industrial society. He is mercifully free from illusions such as the abolition of the money economy. Freund perhaps rather overstates the case: "Capitalism, as Weber saw it, is a system which cannot be destroyed by a revolution, however radical, since some aspects of it correspond to the needs of economic rationalization and will continue to influence the new social structures which men may establish."⁽¹⁸⁾

This all needs unpacking. We must distinguish between "capitalist" and "industrial" society. The irreversible character of industrial society means not that such a society cannot begin to de-industrialize. It is conceivable that such a retrogression is at work in contemporary Great Britain. Irreversibility refers to the logical imperatives of industrial society, such as legal/rational procedures,

imperatives which must survive as long as industrialism survives.

In the case of industrial capitalism, similar reflections hold. A society can remain industrial and, nevertheless, lose many of its capitalist features. Nazi Germany is the classic case. The boundless pre-eminence of the Nazi corporate state, involved the abolition of the open labour market. Closed labour markets are characteristic of pre-capitalist society, though modern totalitarianism continues, revives and perpetuates them. A fascist society, which removes the rights of workers to negotiate their earnings in the market place, attenuates that process of rational calculation which human capital theory assumes. To this extent a fascist economy is less "capitalist" than a liberal capitalist economy. It seems to me, moreover, no accident that all highly developed capitalist economies are relatively liberal societies, though only time will tell whether autocratic capitalist regimes like Singapore will liberalize as they mature, or indeed whether the liberalism of advanced capitalism is sustainable in the long term.

Fascism and communism in fact result in societies which are reminiscent of the base/superstructure metaphor of Marxism, a metaphor which we shall later argue is false when applied to capitalist society. In relation to totalitarian society it is a persuasive metaphor, though in an odd way. For the Marxist metaphor locates ideas as

superstructural in capitalist society, unconvincingly, as I would argue. But is not ideology infra-structural, in totalitarian society? Does it not become the binding interest of the party and bureaucratic élites? Does it not attenuate the rationalization process, interfere with cybernetic imperatives, and produce huge dysfunctions? Does ideology not become a "base" constraining the rest of socio-economic life? What we shall argue in our chapter on socialism is that totalitarian regimes are associated with a restricted skill order, that we do not find in them the widespread, freely calculative weighing of costs and benefits which characterizes skill formations in the advanced Western societies. I am not advancing the absurd thesis that there is no rationality as to skill formation in socialist society, only that human capital formation there is at a relatively low and restricted level. In Soviet Russia and China, for example, there is massive restriction on the geographical mobility of labour, that deliberated mobility which is so important a source of human capital formation in capitalist society. I shall also argue that the further economic development of socialist societies implies the emergence of social stratification on the basis of the differential distribution of human capital. This process will threaten the ideologically inspired structure of social control.

The rationalization which Weber detects in capitalist development is particularly clear in the case of economic

phenomena. It is true that the margin of scarcity is rolled back by industrialization, true that leisure preference, having been initially diminished by industrialization, is subsequently enhanced by it, true also that liberation from primary (low income) poverty, and the increase in leisure it has secured, in some ways have amplified, in capitalist society, the partial indeterminacy between economic and mental life which obtains in all eras. Nevertheless it is reasonable to propose that industrial capitalism renders social reality in some ways increasingly economic, by widening the arenas of economic decision-making, by increasing the role of the citizen as producer, consumer, saver and investor. Thus economic sociology suggests a continued relevance for the central concept "role". This concept has been challenged by those who see it as a dehumanizing notion which reifies the world, obscuring the fluidity of human action, or legitimating an oppressive order, the alienated world of the division of labour.⁽¹⁹⁾ I prefer to regard the division of labour grosso modo, as a liberating phenomenon, releasing and harnessing the endless, though always precarious, inventiveness of man. I would follow Brian Davies in his defence of role as a concept necessary for the analysis of the interface between human identity and social structure.⁽²⁰⁾ This dramaturgical conceit is appropriate for the discussion of socio-economic action in all eras; and in particular, the rationalization, the increasing calculative marketization

of skill formation (the emergence of a human capital order) signifies an increased rather than a diminished relevance for the idea of role. Thus we can claim that in addition to its conceptual affinities with Weberian ideas, human capital theory is also highly consistent with that recently much maligned body of thought loosely known as "functionalism". The citizens of advanced capitalist society have clear functional roles as consumers, savers and investors. The economy is indeed a structure of economic roles. No slight on the richness and variety of humanity is implied here. Just as human capital formation does not constitute a man's humanity, but only those productivities variously vested in him, so man's role as general economic decision-maker is not the measure of man.

Once again it is proper to note that Talcott Parsons, the doyen of functionalism, was originally an economist. At times his words sound like a pure sociology of capitalism, though they attempt to identify perennial prerequisites rather than those of modern capitalist society: "the major functional problem concerning the social system's relation to the personality system involves learning, developing and maintaining throughout the life cycle adequate motivation for participating in socially valued and controlled patterns of action. Reciprocally a society must also adequately satisfy or reward its members through such patterns of action if it is continually to draw upon their performances for its functioning as a system "(21) (*my italics*).

Through this clumsy, spiky language, there can be discerned an unerring grasp of the modern social world. Brian Davies puts it thus of Parsons: "Parsons' schema may be overly formal, pretentious, wordy and inherently conservative, but they also pick out vital aspects of man and society. Men in some degree are socially formed, consensus in society does derive from widely shared values, social process is end-directed and partially self-monitoring and so on." (22) The extract from Parsons is a brilliant encapsulation of the spirit of industrial society and, if by chance, of the metaphysical core of human capital theory. My guess is that history will rank Parsons as a maestro, in the same league as Smith, Marx, Durkheim, Weber and Keynes -- a name to be conjured with and revered, when the lesser spirits and petits maîtres who have reviled him have been consigned to a merciful oblivion. (23) Functionalism, like Marxism, like monetarism, like psychoanalysis, has passed into the mainstream of intellectual history. It can demand from human capital theory an infusion of new blood and indeed it is a sign of its intellectual viability that functionalism can absorb new insights, which also illumine it. Role we have briefly discussed, but there are also the significant concepts "function" and "consensus" to which more attention must be given.

Brian Davies has stressed that social life is end-directed. (24) Such a teleology makes "function" an unavoidable concept. In fact, both social institutions and societal

sub-systems of education, medicine, law and transport, perform many functions; but can we reasonably doubt their purposive significance in the skill order? The educability of the individual, conceived from our specific viewpoint as his potentiality for the deliberated and costly accumulation of knowledge and skill as capital, is largely formed in the family, school has the function of creating that capital, individually or socially, medicine of maintaining it, law of protecting it and transport of mobilising it. These institutions and sub-systems have indispensable functions in the economic aspects of social life. Certainly in relation to family, school, law, health, medicine and transport, I think we find good grounds for agreeing with John Eggleston that the proposed jettisoning of terms like "role" and "function" by some sociologists, has been both cavalier and premature. (25)

We have previously argued at length that there is unprecedented consensus in advanced capitalist society. In modern capitalist society there is a light burden of external control, and a massive incidence of internalized control. Human capital formation spans these conditions, for though the overwhelming majority of those possessing it have never heard of it as an articulated notion, the deeply entrenched view that skill and status differentials, having been expensive to achieve, are legitimate and should be maintained, is a striking example of internalized economic rationality.

The internalized consensus and the light structure of external control also relate to general economic rationality, and though economic sociology has not yet much penetrated the area, the human capital order of the advanced Western world is vital to an explanation of the huge gulf in living standards and economic efficiency between industrial capitalism and industrial communism. As Sir Karl Popper asserts, the notion that the imperatives of science require a planned society (in our case including a planned skill-formation) combines two errors: the first as to the nature of science, the second as to the nature of society.⁽²⁶⁾ It is precisely the openness and uncertainty of the future that render the organization of skill-formation as private human capital, both rational and functional. By this I mean simply that a society based on planned skill-formation, could not conceivably respond to the changing structure of scarcity as efficiently as one characterized by individual decision-making. Technological change is not predictable -- whatever the gloomy predictions about silicon-chips and their effects on labour -- simply because the future in general is not predictable. Uncertainty is part of our human condition, and uncertainty is magnified by the dynamism of modern technology. It is for this reason that I regard human capital formation as "functional" in the conditions of modern society. This is why I would endorse the extreme scepticism as to manpower forecasting adopted by Blaug⁽²⁷⁾ and Psacharopoulos.⁽²⁸⁾

No economic phenomena are more human than those of human capital formation. Machinery and raw materials are separate from man. Human capital formation is integral to him, inalienable from him. Human capital formation involves a purposive weighing of the likely outcomes of investment decisions. How much foregone income is involved in taking a degree? How much psychic pain and monetary cost are involved in moving to a higher wage area or economy? What is the risk of disappointment and failure? Now, while there is undoubtedly much in the income distribution of a capitalist economy which does not relate to the decisions emerging from such calculations, the whole edifice of human capital theory must collapse unless there is much which does.

The concept of the consensus raises fascinating issues in the philosophy of social science. Specifically, shall we follow Durkheim or Marx in a holistic view of society? Or, alternatively, is Weberian methodological individualism, which finds a parallel in neo-classical economics, the most convincing perspective?

"Interpretive sociology considers the individual and his action as the basic unit, as its 'atom'.....In general, for sociology, such concepts as 'state', 'association', 'feudalism' and the like, designate certain categories of human interaction. Hence it is the task of sociology to reduce these concepts to 'understandable' action, that is, without exception, to the actions of participating

individual men." (29) Individual human capital decisions, though they can be conceptualized as aggregately coalescing into a structure -- the human capital order -- are precisely the "understandable" actions of individual participating men.

Weber is right if he intended to say that the individual is the ultimate human reality. Institutions do consist only of their members. If Weber be taken as expressing a preference for the individual as the focus of social science, I would not demur. The individual as ultimate constituent always, and ultimate analytical focus where possible, seems to me an important credo.

Some writings of holistic inspiration seem to dispense for ever with the idea of the individual. Gintis' attack on mainstream micro-economics is of this sort, whatever his intentions. His claim is that exterior manipulations are built into the ostensibly individual preference demonstrations we observe. (30) I prefer to stress the degree of rational autonomy the individual has in weighing up the flow of information coming to him. You pays your money; and you takes your choice. But it is notable that it is my view which is optimistic. Gintis is the pessimist. For what grounds can he offer theoretically that socialist society would secure greater rational autonomy, i.e. a situation where manipulative exterior influences are not constitutive of individual action? Moreover, empirically it seems to be the case that in some societies which do not

even possess the commercial advertising agencies of the West, e.g. Poland, there are patterns of consumption preference very much like ours, on the basis of much less information. Here the official "structure" is telling the individual one thing, and the individual is doing another. The ease with which the emulation effect penetrates Eastern Europe suggests to me that advanced capitalism is indeed a system which expresses, additively, what individuals actually want. If capitalist output is not the sum of all preferences, grosso modo; but the result of the implanting in the masses of ideas serving the interests of capitalists, how do consumer patterns of a "capitalist" type so easily take root in societies where capitalist agencies of manipulation are largely absent? Let us note that Ronald Dore comes close to suggesting in his critique of Ivan Illich that "consumerist" is what we really are.⁽³¹⁾

I am temperamentally disposed to individualism and convinced that methodological individualism is far more often viable than its critics will allow. I think the theory of private human capital is a laudable case of methodological individualism. Nevertheless we need to recognize that what we may call "conceptual individualism" -- the conviction that there is nothing, ultimately, in society other than the sum of its members -- does not mean we can dispense with methodological holism. Some collective phenomena are experienced as if they were entities -- families, monarchies, social classes are among the many examples. Furthermore,

many forms of socio-economic analysis must proceed by employing aggregate variables. Macro-economics and social human capital theory are among the many examples.⁽³²⁾

Thus while the consensus can only be the sum of its individual parts and should be seen as an intellectual construct rather than an entity, I would also claim that the consensus of the Durkheim-Parsons tradition is not a myth as Bourdieu would have it,⁽³³⁾ but at the level of experience a reality, a reality above all in societies characterized by widespread incidence of the market code and its attendant phenomena of voluntarist spending and savings decisions.

The emphasis on consensus which I have placed throughout, in the firm belief that the sociological derivations of human capital theory are rich in their explanatory power in the study of such consensus, is also antithetical to Weber's view of the fundamentally conflictful nature of society, a view that, according to Aron, is as deeply held by Weber as by Marx.⁽³⁴⁾ On such a view power must be the basis of social order. For Weber such conflict is eternal; for Marx it will be ended when the future non-antagonistic society comes into being. Such views either exaggerate the degree of conflict in actual Western society (Marx and Weber), overlooking the consensual element in social control, or they sublimely ignore those sources of conflict which seem in all likelihood to prove permanent. For example, there is Marx's belief in the abolition of

scarcity, as an indispensable element in the abolition of the class struggle. There are good grounds, however, for believing that scarcity can be attenuated only, never abolished.

All great sociologies are characterized by internal tension and contradiction. In Weber's case, his view of power as the basis of social order is difficult to reconcile with the extreme voluntarism of his view of man. Perhaps this is what Davies has in mind when he speaks of Weber's "missing middle".⁽³⁵⁾ The core of this thesis is that "freedom" and "voluntariness" presuppose a bedrock of agreement. Men cannot engage in costly activity calculated to maintain or raise their earnings and status and position in the overall structure of decision-making, unless there is a widely distributed and internalized market code (a set of coherent economic principles) supported by a deeply entrenched value consensus. There is a general connection between economic indicators such as interest rates, and the force of consensus. The generally lower pattern of interest rates in industrial capitalist societies, as compared to pre-industrial societies, represents not only the greater abundance of credit but also a change in the pattern of risk aversion, as economic life becomes more rationalized à la Weber, and more consensualized à la Durkheim.

The whole power/conflict tradition rests on an unsatisfactory metaphysic. Let us assume a continuum of

societies stretching between the polar opposites of pure agreement and pure coercion. While both extremes represent an impossible social reality, it is reasonable to maintain that social life in general tends to veer to one pole rather than the other, specifically to rest fundamentally on agreement rather than power. On this view power will flourish only in the social interstices where men's agreements have penetrated only weakly, or not at all. What we nevertheless argued in our chapter on pre-industrial society, and will argue again in our chapter on socialism, is that many of the central social divisions in such societies are not, apparently, easily internalized by those whom they disadvantage. The slave and serf, the disenfranchised citizen of contemporary Eastern Europe, the impoverished Third World peasant, the slum proletarian of early capitalism, may very well have internalized imperatives against robbing, raping and betraying his friends and neighbours. There are good, a priori grounds, however, for thinking that only weakly and partially does he accept the huge social distance between him and those more favoured. That, surely, is the explanation for the countless flare-ups in agrarian society down the ages, as late as the slave revolts in the nineteenth-century American South. Such surely is the explanation of the Russian tanks in Budapest in 1956, or in Prague in 1968. Such is the logic of Sharpeville and Soweto. Modern, liberal capitalist society is the first society since the Stone Age that has not been

forced, by the very nature of its structure of social control, to have frequent recourse to such massive violence for purposes of general order. The principles of the capitalist social consensus are deeply impressed on the individual consciousness. The individual does indeed feel the force of the consensus as if it were a thing.

The structure of social control in advanced capitalist society, a structure which is intimately linked with a human capital order, does not preclude conflict. Competition, which pace the misleading thesis of the progressive monopolization of the capital stock, the growing concentration of manufacturing power,⁽³⁶⁾ remains indispensable to a flexible allocation of economic resources, is itself a phenomenon of conflict. But it operates within a consensus which defines its acceptable limits.

What we find in modern capitalist society is in fact the fullest expression to date of what it means to be human. As Durkheim understood, to be an autonomous individual a man must internalize a whole battery of social mores and imperatives.⁽³⁷⁾ In some respects his central problem was the social explanation of the individualism which he saw as characteristic of the age. In this sense, the widespread individual economic activity represented by human capital formation can be conceived, in terms of its function in the creation of cohesion and solidarity, as occupying a gap in Durkheim's work, as much as in Weber's. The phenomenon of widespread human capital formation, whereby

vast resources are poured into the creation, maintenance and mobilization of productivities in men, as simultaneously calculating, competing and consenting individuals, is a tribute to the viability of our species, given the appropriate circumstances, without crude direction, terror and coercion.

Human capital theory, whatever the shortcomings Mark Blaug brings to our notice,⁽³⁸⁾ has brilliantly illumined the economics of this situation. Such an illumination has massive sociological implications. In particular, those calculative behaviours which we conceptualize as leading to human capital formation, involve a massive amplification of those areas of agreement without which society is impossible, or to put it in another way, a parallel reduction in those coercive activities which operate in the "consensual gaps" which all societies also have. Capitalism has led men to invest massively in themselves. Given risk aversion, men will not act in this way unless there is a high probability of social continuity. Consensus is a condition of such probability.

II

Human Capital and Social Stratification

The basic insight into a theory of social stratification given by human capital theory is clear. A dichotomous model of social class, in terms of who does or does not own property (physical capital), is no longer viable.. Such a model must be profoundly modified, or even displaced, in terms of a recognition of those elements in social stratification which pertain to human capital formation. Herein lies the hitherto missing theoretical basis of the pluralist case. Labour, in its human capital guise, has become a significant element in social control and stratification, precisely because it is not just raw, unimproved labour from some industrial reserve army, but rather a scarce repository of skills, of capital choices, of incurred costs. In human capital theory we find an explanation of the bases of new or enlarged classes and strata -- the skilled proletariat, the professions, the technostructure. The skilled workman, the doctor, the highly-qualified bureaucrat may be taken as having deliberately invested in themselves, deliberately having balanced the money and psychic costs of their career decisions against provisioned money, status and decision-making returns.

There is little doubt, admittedly, that the theory of social stratification is in something of a mess. It is difficult to know whether the lack of agreement represents an exciting fecundity in the social sciences, prefiguring major intellectual advance, or whether the uncertainty reflects ambiguities which will prove permanent in the social sciences, predicated as they are on a reality which, whatever regularities it manifests, involves perpetual motion. Is our choice of theories between an untidy correctness, as in the Registrar General's occupational classification, and a more compact system of erroneous dichotomy, as in structural Marxism?

The burden of this thesis is that the concept of human capital formation rivals or even surpasses the claim of physical capital to serve as the principal determinant of social processes and patterns. The notion of systematic human capital formation can furnish occupational measures of social class with a hitherto missing conceptual cutting-edge. Previous social formations have been polarized around discontinuous divisions between haves and have-nots. Under oriental despotism there were those who dominated the bureaucracy, and those who were dominated by it. Under feudalism the division was between those who controlled land, and those who worked it. Arguably, in the early conditions of industrialism, the separation was between those who owned physical capital and those who did not.

We may in all this have recourse to Bernstein's notion of classification. A dichotomous social formation in most

eras has implied "strong classification" of a principled kind between social strata. If we identify modern capitalist society as typified by relatively weak classification between social strata, we may indeed turn to human capital theory as our deus ex machina from previous dichotomies. For human capital formation is ubiquitous. Though there are those who possess it in abundance, even the meanest citizen of modern capitalism is not totally without it. A widespread distribution of human capital signifies weak insulation between social strata. Why? Because of the relatively continuous character of that distribution. Agrarian, socialist and early capitalist formations all require a high incidence of coercion, since the central dichotomy in such societies is not easily internalized, that is to say, cannot easily be disseminated through consensus. Advanced capitalist society does not have this problem. There is quite simply no such dichotomy to be internalized.

Human capital formation does not, however, constitute an easy nostrum for equality. Human capital is formed in, embedded in, various non-economic stocks of human aptitudes which are differentially distributed in the population and constitute, indeed, a greater secular obstacle to equality than physical wealth which can, after all, be nationalized. For a market economy identifies scarcities, productivities in the labour force, which are only partly the productivities of pure human capital formation. They are also the non-

economic scarcities of nature and culture, as well as the outcomes of relative imponderables such as luck, corruption, nepotism and so on. However much we aim to eliminate the injustices of human arrangements, a rational economy is likely to foster incremental productivities on the basis of biologically and socially determined aptitudes which admit of no easy egalitarian redistribution.

In a sense the supreme virtue of a rational capitalist economy may also be a source of tension. While the socio-economic processes of capitalism can partly push aside the overlays of race, class, accent and mores -- that is they can dissolve many aspects of ascriptive barriers between people -- they also ruthlessly expose the raw socio-cultural potential on which human capital is based. As Psacharopoulos and Wiles observe, how much schooling a child receives depends partly on how suitable for schooling he appears at an early age.⁽³⁹⁾ The economic entity, the economic citizen, conflates in his productivity, non-economic elements of a genetic and socio-cultural kind, along with more purely economic components arising from his educational and medical biography. There is clearly a tendency for him who is rich in non-economic culture (Bourdieu's misnamed cultural capital) to become rich in human capital formation. Quite simply he is a more informed decision-maker.

Nevertheless, as A.H.Halsey's Reith Lectures make clear, there has been a massive change in the occupational structure, involving the emergence of a huge middle class,

and of a skilled and semi-skilled working class.⁽⁴⁰⁾

The process is not to be termed "embourgeoisement". Such a term was always etymological nonsense, though many British and American writers have now fallen into the French trap of wrongly using "middle class" and "bourgeois" coterminously. But the idea of a human capital distribution running continuously from very high formations, to very low ones, has enormous appeal. It helps to explain the secular trends in the distribution of income. It helps to explain the system of social stratification and the structure of social control.

What have traditionally been regarded as ascriptive social phenomena, the accidents of birth and socialization, may be regarded as leading to strong classification between social strata. Meritocratic phenomena lead to a weakening of classification. If Psacharopoulos and Wiles are correct⁽⁴¹⁾ in arguing that the regression of income on education does indeed yield a significant correlation, if Psacharopoulos is right that one can make the distribution of income slightly more equal by longer schooling for the children of lowest income groups,⁽⁴²⁾ if indeed the labour market is conceived as sensitive to the end-product of schooling and other decision-making, rather than merely rewarding its initial genetic and cultural props, then it does indeed become reasonable to treat human capital formation as a dissolver of traditional strong classifications between strata.

We shall certainly propose that human capital formation

is a hinge of the occupational structure. For as the Jencks' report made clear, education and occupation are positively correlated.⁽⁴³⁾ Whilst Jencks and his team denied the education and income link⁽⁴⁴⁾ -- wrongly as Psacharopoulos and Wiles now insist⁽⁴⁵⁾ -- the education-occupation connection was one of their strongest findings.

Economists have of late increasingly borrowed from sociologists the statistical technique of path analysis, in the study of the links between education, occupation and earnings. This technique permits the measurement of the direct effects of one variable on another, say education on income, education on occupation or occupation on income, in the form of a "direct path coefficient". For example, Psacharopoulos and Tinbergen find a direct path coefficient of .174 between education and earnings.⁽⁴⁶⁾ This means that if the level of education is increased by one standard deviation, then mean earnings will increase by .174 standard deviations. The authors also calculate the direct path coefficient between education and occupation (.221) and the (very high) path coefficient between occupation and earnings (.342).⁽⁴⁷⁾ However, the relationship between education and earnings is clearly mediated through occupation, and the direct path coefficient between education and earnings (.174) is thus an understatement. The particular appeal of this path analysis is that it also permits an additive treatment of the variables involved in the determination of earnings. Psacharopoulos and Tinbergen

in fact calculate an overall coefficient of correlation (that is the relationship between earnings and the combined influences of father's occupation, individual's ability, years of education and occupation) of .279.⁽⁴⁸⁾ This is in line with the "coefficient of correlation of earnings regressed on education" of traditional analysis, only rarely denied as statistically significant.⁽⁴⁹⁾

One or two comments seem pertinent. First, occupation is a huge predictor of earnings according to Psacharopoulos and Tinbergen (direct path coefficient of .342). Second, education powerfully correlates directly with occupation (direct path coefficient of .221) and significantly with earnings (direct path coefficient of .174). These relationships are consistent with a constantly reiterated theme of this thesis: namely, that the occupational structure is the prime determinant of the "anatomy of class" (to use Halsey's phrase)⁽⁵⁰⁾ and unambiguously so if we consider income significant in the class-structure. The occupational-structure is the principal embodiment of human capital formation, above all of educational human capital formation.

Futhermore the intermediary role of education is crucial. According to Psacharopoulos and Tinbergen, the direct path coefficient between father's occupation and child's earnings is quite low (.036). Thus the influence of father's occupation (social class) has to be mediated through schooling and occupation.

Finally, the model understates the influence of schooling.

Psacharopoulos⁽⁵¹⁾ quotes the work of Hill and Stafford who claim that it is in reality parents' education which is responsible for the effect of social background on earnings. These writers have shown that highly-educated mothers spend more time with their children than less-educated mothers.⁽⁵²⁾

I have engaged in this brief statistical digression to stress my belief that the findings of some types of economic and social analysis point in the same direction. The findings of a human capital theorist like Psacharopoulos, both confirm empirically the contentions of Halsey (drawn from other data) on the trends in social stratification, and facilitate, through the idea of a "human capital order", some further conceptual purchase on the problem. A man's place in the occupational structure is partly determined by his human capital formation, by the costly choices he has made with regard to education, training, health-care, job-search, information retrieval, migration and so on (his privately generated human capital) and also by the collective action in these regards which affects him involuntarily (social human capital). Human capital theory is also, as we shall see, in some degree the missing conceptual cement of Weber's specific contribution to stratification theory, that is, his rounding off of "class" by the addition of a "status" variable and a "party" variable.⁽⁵³⁾

What we must spell out above all is that under capitalism

the occupational structure comes, for the first time, to oust the warrior-prince, priestly bureaucrat or landowner, as the dominant element in social stratification. Hitherto, while occupations were always of course important, in that the rule of the elite, a generally coercive rule as we have argued, was always occupationally mediated, these mediators such as lawyers and other functionaries, always had a secondary position. Now, when the occupational structure embodies, and expresses in good measure, the vast accumulated resources of the human capital order, what was once secondary has become primary. The middle class has "arrived". The term "middle class" must be separated from the notion "bourgeois". Furthermore, "middle-classness" cannot be explained entirely with reference to the distribution of income. There are actually quite large minorities of high-income citizens who are hard to locate socially, for example, pop singers and professional footballers. Middle-classness must also relate significantly to phenomena on the continuum between Bourdieu's (misnamed) cultural capital, and skill formations of a human capitalist kind. We can probably distinguish high-wage proletarian human capital from middle-class human capital, not in terms of a greater provisioned degree of market-sensitive costing for the latter, but in terms of the additional status and party elements in the middle-class calculus. (54)

We have repeatedly stressed the dangers of reductionism. It seems very unlikely that the multiplex dimensions of

stratification in a capitalist society should boil down to some quintessential core. What I do feel sure of, is that human capital formation, expressed in the occupational structure, is the single most important element in social stratification in the advanced economies, and that it has brought the senior reaches of the occupational structure into an unprecedented pre-eminence.

The term "middle class", however, is not very successful as a structural metaphor. It is true that we can rank a doctor or lawyer "higher" than a bricklayer, even when the latter may earn more, because the latter is so much "lower" in the status hierarchy. However, we run into great difficulties when we try to extend the "structural layers" metaphor further upwards, and to place the middle-class human capitalist in relation to the bourgeoisie. For it is now clear that the giant corporation is a better risk taker than the individual wealthy man. For that reason, the actual management of physical capital is increasingly institutionally mediated -- controlled, that is to say, by professionals and bureaucrats who will typically be rich in human capital formation. In other words, the physical capital order and human capital order overlap.

Thus there will be a small number of very high-income people (not themselves necessarily large wealth-holders) whom it is difficult to call "middle" in relation to anything. They are quite simply at the top. Nothing could be further from my mind than the view that the class structure is a

trichotomous hierarchy, involving capitalists at the top, middle classes in the "middle" and the working-class majority at the bottom. When I employ the term "middle class" in this thesis, it carries a definite sense of non-proletarian status, but says rather little about the complicated social mosaic of the huge non-working-class population. My thoughts on this enormously complicated subject remain inchoate. All I can at present venture is the proposition that middle-classness involves income, status, party and life-style in a complex fusion relating intimately to human capital formation embedded in the occupational structure.

Those hostile to this thesis might of course accept this proposition of the primacy of the occupational structure, and yet draw from it far from comfortable conclusions, might see it as does Bernstein, as "the grim obduracy of the division of labour".⁽⁵⁵⁾ Does not the occupational structure express perfectly the most insidious of all trends in an alienating division of labour, namely the crystallizing of social strata around the division between the mental and the manual?

The answer is that perhaps the occupational structure does manifest the unequal distribution of income between mental and manual labour. Not unambiguously though, for there are some manual jobs which carry much higher earnings than some mental ones. For example, for much of the post-war period teaching was associated with lower earnings in

Great Britain than many manual jobs enjoyed, and there can be dramatic changes in the intra-national distribution of earnings. (56)

It would seem to be only the status outcomes of human capital formation which one can truly associate with the division between mental and manual occupations. There is discontinuous high status attached to medicine, law and other favoured occupations in the occupational hierarchy. The income division is much more gradual, much less discontinuous.

Industrialization makes status a more significant and generalized phenomenon than it was in pre-industrial society. First, it reduces those ascriptive barriers which privatized status in the pre-industrial world, for example, the huge "status gap" between the aristocracy and serfs in a feudal society. Second, by increasing the lifespan of the average citizen and differentiating his socio-economic experiences, industrialization makes it possible for the citizen to relate to a larger number of reference groups than was possible in pre-industrial society. There is always a limitation forced by mortality on a society's ability to engender status. Status requires reference groups. The essence of one man's having status is that someone else does not.

This means that, unlike wealth and income, to the generation of which there is no easily foreseeable end in the conditions of modern technology, the stock of status is

limited. It may increase as longevity increases, or as leisure time increases, but in principle it is less amenable to multiplication than are wealth and income.

We repeat that status is not divorced from economic phenomena. Though there are many status phenomena which are, strictly speaking, non-economic, for example those associated with physical appearance, if there is one abiding deficiency in the sociological analysis of status, it is that insufficient attention has been paid to its economic aspects.⁽⁵⁷⁾ True, Weber and Veblen were very sensitive to the economic aspects of status as secured by spending, by Veblen's "conspicuous consumption". We nevertheless find one of our most persuasive social theorists, Anthony Giddens, entirely failing to apprehend the economic nature of many status-phenomena in capitalist society.⁽⁵⁸⁾ I do not deny that there are non-economic aspects in social stratification. It is simply that a non-economic view of status will not do. Modern social theorists have a penchant for ignoring or denying the economic character of phenomena which are economic, or employing economic terminology around phenomena which are not.⁽⁵⁹⁾

The implication of a fruitful coupling of economic and social insights in terms of human capital theory is that much of the stock of status is indeed economic, is in fact a "status capital". Prevision of the status outcomes of human investment decisions can be taken as profoundly modifying the purely monetary aspects of decisions to form

human capital through training or migration. In other words, a considerable element in the status stock is a non-monetary but nevertheless economic return to the costs of human capital formation. People train as professionals, as skilled workers, partly because of the flow of non-monetary benefits which they anticipate will result from their capital formation. A reading of the purely monetary returns to human capital formation vastly understates its contribution to social hierarchy. More than this: while the purely monetary returns to human capital formation may constitute a dissolution in the strength of classification between social strata, the non-monetary, status returns may be the basis of new strong classifications. This, we shall argue in a subsequent chapter, is a fortiori the case with professionalism.

Weber's approach to social class is a valuable attempt to break free from Marx's over-emphasis on ownership of property. What Weber necessarily leaves out is a developed treatment of the sociological significance of those economic resources actually invested in the citizen. In Economy and Society he makes it clear that marketable skills are a source of class position. Indeed he sees the "middle classes" as in significant degree based on such skills, often "monopolizing" these. (60) This inchoate insight must be taken much further today.

Most citizens are simply not the instantly replaceable cyphers envisaged by Marx. The costly accumulation of skills in all developed economies, capitalist and socialist alike, is now vast. It has huge income implications, as we have seen, but also massive status implications, and massive general implications for social stratification.

Industrialization generally weakens the classification between social strata. That is what an increase in achievement as opposed to ascription actually is. Ascription involves strong boundaries, strong insulation between strata. In Bernstein's work it is taken as characteristic of certain forms of industrial occupation that they are strongly classified.⁽⁶¹⁾ In general it may be doubted that this is typical. For one thing, there is high price elasticity of substitution between some kinds of wage labour, that is, their boundaries are weakly insulated.⁽⁶²⁾ There might well be stronger classification between strata if human capital differentiation were more precise. This might occur if, for example, the instructional system were itself more capitalistic, such that employers were able to demand more precise curricular biographies of their employees.⁽⁶³⁾ We shall discuss the fascinating outcomes of the removal of school (the main agency of skill-formation) from the private to the public sector, in our later chapters on education. The important point here is that such a removal reduces the general sensitivity of the labour market.

An advanced capitalist society is broadly sensitive to variations in labour productivity. In some degree social stratification reflects this. But the labour market is not finely sensitive to scarcity. It is evident, for example, that the connection between education and employment is not highly specific. There is a strong connection between education and the level of occupation; but a weak one between the contents of education and job. It is also the case that there are many other elements in social hierarchy than the differential distribution of labour productivity. Such hierarchy is a mixture of achievement and ascription. All previous societies were dichotomized around the latter.

Industrial capitalism shatters this dichotomy. For in an advanced capitalist society, land ceases to be the main non-human input to production, at the same time as the human input becomes variegated. The sociological message, till now only latent, of Becker, Schultz, Blaug, Layard and Psacharopoulos, is that capital has become generalized in the market economy. The modern economy is one in which scarce economic resources are widely invested, devoted to the enlargement, maintenance and mobility of the labour input to production, as well as to the machine input. Labour is not a homogeneous entity, locked in perpetual class warfare with "capital". Labour itself involves capitalistic formations.

None of this is to deny the kinds of conceptual and

empirical difficulty we are likely to find. Modern capitalist societies are a confluence of consensus and power, in an extraordinarily complex mosaic. Their stability, to which police enforcement seems mainly redundant, is evidence of their deeply consensual character, yet at the same time the disparities in wealth, income, knowledge and status, however much they reflect consensus, are also phenomena significant in terms of the conflict view of society in the tradition of Marx and Weber. Nevertheless what we must stress here is the gradual, continuous character of social hierarchy under modern capitalism. This gradual character of social hierarchy, this weakening of the ascriptively secured classification between social strata, is a reason for the binding force of consensus. Principles of social control and social stratification of a gradualist kind are evidently less wounding to the psyche, less damaging to a man's need to regard himself as significant, than the principles of a society based on sharp demarcation between ins and outs, haves and have-nots.

Weber, we have noted, had another concept besides status with which he wanted to round off the Marxist proposition that wealth is a source of class and power. This proposition is ancient, and is found in a systematized form in the seventeenth-century statement of James Harrington: "empire follows the balance of property."⁽⁶⁴⁾

Weber's other variable was "party". Men's overall position in the system of social stratification, also depends

on their position in such organizations as political parties, trades unions and various pressure-groups and lobbies. Once again human capital theory suggests a strong economic component in "party". A stream of costly effort yields a flow of returns, perhaps mainly non-monetary, which nevertheless is economic in the sense that the calculation of costs and benefits involved took account of the desirability of a location high in some area of the general structure of decision-making.

Thus, to sum up, we may argue that the sociology of human capital is an admirable source of insight into the social stratification of advanced capitalism, illuminating the Weberian insight that "status" and "party" must be added to property in the theory of stratification. However, human capital theory is also relevant to an analysis of the state in advanced capitalist society, as we shall see in the next section.

Human Capital and the State

We have argued that the market code is the dominant cultural category of advanced capitalist society. Such a code is associated structurally with a strong classification between society's administrative matrix and other areas of socio-economic life, and functionally with the dissolution of strong, coercive, external frames on socio-economic action, and their replacement by deep, internalized frames.

The emergence of a human capital order, characterized by multiple hierarchies which conflate consensual and power influences, is associated with dramatic changes in the state. The different aspects of the administrative matrix, of which the formal state is the most significant, become highly specialized and differentiated. A strong classification is established between the formal state and other agencies such as church and media. Above all there occurs a strong classification between the public and the private realms.

Ralph Miliband's book⁽⁶⁵⁾ is a late-twentieth-century study in the light of Marx's famous dictum that the "capitalist" state is the executive arm of the bourgeoisie.⁽⁶⁶⁾ This proposition in fact nestles somewhere between those ideas of Marx which are wrong now and were right when he wrote them, and those which were wrong, as Andreski says, in the light of information already available at the time when Marx enunciated them.⁽⁶⁷⁾

To begin with, let us note that the state, as broadly defined to include central and local government, the police, judiciary, legal system and compulsory schooling, what we have called the "administrative matrix", is in very general terms an arena of massive consensus in advanced industrial society. Most citizens in Great Britain and the U.S.A. (and in Soviet Russia too, for that matter) believe that the state should protect the life and limb of the individual citizen, as well as his property, that children should be

schoolled and disciplined, and so on. Thus even if the state were fundamentally bourgeois one might reasonably argue that it has other fundaments. It involves clear societal consensus, that is to say, expresses views and interests of a non-class kind.

True, the state exhibits conflict as well as consensus. Vast, unrealizable and contradictory claims can be put on the state machinery, as attempts are made to appendage it to special interests. Sometimes these interests do turn on private human capital formation, as in the case of the professions, as we shall argue in the next chapter. But human capital formation and its employment are only two of the many aspects of the modern state in capitalist society, so our discussion, consistently, the reader may reflect, will inevitably be rather discursive.

There is also a connection in modern capitalist society between the relatively weak classification between social strata, and the rather strong classification between the activities of the administrative matrix (broadly the state) and other socio-economic acitivity. Because the social structure is highly consensual and because the distribution of human capital is continuous, comprising gradual hierarchies of income, status and party, social strata are blurred at the edges, so that there is a gradual ascent from the least to the most favoured groups, whilst at the same time the most favoured groups have no need for an extensively privatized administrative system.

The concept of the state, the "government", the "authorities", has a deep hold on the populations of capitalism. The paradox is that as the concept of the state hardens, so its phenomenal character lessens. It quite literally controls and interferes with people less (though its scope in welfare administration may have swollen enormously). Indeed we can reverse the Marxist-supposed flow of influence. So suffused is the state in advanced capitalist society by the consensual view of the majority, that it does indeed become possible to think of people dominating the state, rather than vice versa, and in fact the sea-change associated with the capitalist state in relation to the state in previous, agrarian society, or in contemporary socialist society, is this: the state in advanced capitalist society is the only state so far which has not been the administrative creature, more or less, of one pre-eminent class or stratum and one alone. The reality of the modern capitalist state is diametrically opposed to the picture Miliband paints of it.⁽⁶⁸⁾ Because the emergence of a human capital order has produced a non-dichotomized social structure, the state ceases to be a control agency for one set of dominating interests.

Since capital, as we have broadly defined it, that is to say as including in its human version any deliberately achieved net present value of income, status and party, furnishes a plurality of capital bases, supplies, that is to say, a number of props for social stratification, it

follows that the state in capitalist society reflects more than one class or capital interest. In particular, if modern capitalist society is characterized by a "capitalism of occupations" we should expect to find this reflected in the character of the state. In the next chapter, a study of the professions, we shall examine the huge influence that the high professions exert over the state in advanced capitalist society. Here let us note that it is also simply absurd to deny the influence of organized labour in the modern capitalist state. In Great Britain, against the wishes of most citizens, organized labour has been successful in employing the state and legal machinery in the defence of the closed shop. Most citizens dislike the closed shop, none more so than the bourgeoisie. Yet it has come into being -- massive prima facie evidence that the bourgeoisie simply do not dominate government and law. The state and legal systems are manipulated by bourgeois interests. Patents and other barriers to industrial entry are a good example of this. The vast, lucrative contracts which organized big business wrings from the state, especially in heavy engineering and military production, are another. It would take a fool to deny the power and influence at many levels of the giant industrial corporations of modern capitalism. However, this influence is not the same as overwhelming pre-eminence à la Ralph Miliband. Only through perversity can the influence of the modern professions be denied. Neither can the signifi-

cance of organized labour in the state machinery of societies such as ours be easily gainsaid.

The manipulation of the state in the interests of organized labour in fact involves some labour which is very rich in human capital (such as the professions) and other labour which is relatively poor in human capital. Sometimes it is hard to say whether human capital is significant or not in a powerful section of the labour force. Groups of workers, such as the power-station workers, have key skills which cannot in the short run be dispensed with. It would take an empirical study to determine whether these skills are also in significant degree formed in a sensitive awareness of their costs and benefits. I suspect they are. However, we can be sure that they connect with immense discretion in the structure of decision-making. Groups such as the power workers join with the high professions, the miners and workers in key export industries, in effectively directing their wage claims, in defiance, often, of general consensus, not to their immediate managers, but to the very heart of the state machinery -- to the government itself.

Marxian mythology seeks to represent all this in terms of the struggle between labour and capital. This view ignores the fact that some of the most militant unions are within the public sector. In any case, even with regard to private sector unions, as writers like Brittan have shown, (69) the leap-frogging wage inflation of the last few years

represents struggle within the occupational structure rather than a conflict with the bourgeoisie. What these reflections all add up to is this: the pattern of conflict over the distribution of the national income, does not reduce to a dichotomous struggle between bourgeois capital and proletarian labour. It is a multi-faceted pattern of contention, as groups variously possessing property, human capital and relatively non-capitalized labour skills, compete for larger, or at least constant, relative real shares. Just as the social relations of physical capital are only one element in social class, only one element in social control, so they are also only one element in the control of the state and legal system. We shall argue in the remaining pages of this section that the state is in fact intimately connected to the pluralistic human capital order.

In fact, even together, physical and human capital do not exhaust the capital aspects of the state and related agencies in the administrative matrix. There is also the question of "cultural capital" in Harry Johnson's properly economic sense of the term,⁽⁷⁰⁾ rather than in Pierre Bourdieu's non-economic sense.⁽⁷¹⁾ In those advanced capitalist societies which subsidize the arts, there is a transfer of resources and utility from that majority who are not interested in the arts, to that minority who are. Much of the cultural capital of our kind of society is formed in the public sector, or at least the partially demarketized

sector of the economy.

Similar reflections hold with human capital order itself. That much human capital is formed in institutions withdrawn from the market and directly provided to the public, facilitates the shifting of the costs of much human capital formation from its prime to its lesser beneficiaries. There are grounds for arguing that the proto-socialism of the public or semi-public sectors of society, including its educational, medical and "high" cultural activities, are highly regressive, and indicative of the emergence of a middle-class ascendancy in place of the bourgeois dominance of the nineteenth century. Many intrusions by the state do indeed constitute a creeping socialism which allows factions to dominate or distort socio-economic life in a way that they could not in a more purely capitalistic ambience. The late Tibor Szamuely long ago asserted that comprehensive state education, so far from facilitating the identification of working-class talent, would crystallize the pre-eminence of the middle classes.⁽⁷²⁾ There seems little doubt that a similar middle-class pre-eminence is visible in public medicine.

The inexorable growth of the public sector, the extension of the "social wage", is an important element in this. Moreover, successive governments have sought to remedy observed ills by the extension of more such ills. The wage policies of the last Labour government in Great Britain exemplify this. The wage demands they sought to

contain were themselves a response to the slow increase in economic development and low real earnings which a pre-emptively large public sector, high marginal taxation, conservative union leadership -- in a word an inefficient price system -- had led to. Incomes policies both cause excessive wage demands by institutionalizing "norms" which are taken as starting rights, and they flatten the spread of earnings in an economically inefficient way, ironing out in particular those earnings differentials which, through provision, are a major element in the decision to engage in human capital formation.

It is also arguable that the relative failure of the modern British economy is in some measure a failure to generate an appropriate human capital stock. Is this not seen in the coexistence of skill-shortage and heavy unemployment? Frances Cairncross points out that the huge increase in contemporary unemployment in Great Britain seems to have done almost nothing to reduce the number of unfilled job vacancies.⁽⁷³⁾ In 1965-6 unemployment was around 1.4%. In 1965 unfilled vacancies averaged 384,000 a month. In 1973-4 unemployment averaged 2.6%, whilst in 1973 unfilled vacancies averaged 398,000 a month. In June 1979, with unemployment more than double the 1973 level, vacancies totalled 315,000.

Thus, a dramatic, secular rise in unemployment has been associated with a relatively stable level of unfilled vacancies. Cairncross admits that the data collection procedures changed in the mid-1970's, but she insists that

this was not a sufficient change to explain these extraordinary figures. She also stresses that the time required to fill a vacancy appears to have risen. Cairncross confesses that no one seems to have the "faintest idea" what is happening.

I would suggest that the thesis of a lack of appropriate skill-formation has some appeal. Cairncross points out that in several skilled engineering jobs (for example, tool makers and fitters) there are now more vacancies than in 1973. It may reasonably be argued that the general instructional system (including formal schooling) has failed to turn out the right kinds of human capital.

At the gloomiest level, the fears of Hayek⁽⁷⁴⁾ and Friedman⁽⁷⁵⁾ are that interventionism implies a growing state management of the economy which will claim a pre-emptive proportion of the available resources. This will induce inflationary tendencies and by increasingly crowding out private initiative will stifle economic inventiveness and innovation, seen as among the essential features of the free society.

Such fears cannot be simply pushed aside. In a direct sense we must ask questions about the role of the state in the economy with particular urgency in the case of Great Britain, in that the continuing intellectual pre-eminence of the British has not been accompanied by a comparably shining economic performance.⁽⁷⁶⁾ Our low wage-economy, sluggish growth rate, inefficient capital-output ratio,

restrictive practices and vast public sector do point to an economy whose relatively weak modern performance suggests a rather enfeebled price system. The problems of advanced Britain are not those of capitalism but of a rather degenerate socialist-capitalist hybrid.

The essence of our remarks in the last half-dozen pages can be easily expressed. The phenomenon of widespread human capital formation is a sine qua non of the retreat of the administrative matrix in advanced capitalist society, as compared with its corporatist predecessors. At the same time there are countervailing pressures to weaken the classification between the state and other areas of socio-economic life. One of these, paradoxically, is the interests and semi-autonomous power positions created by various skill-formations. As we have remarked elsewhere in this thesis, the phenomena of progress are often Janus-faced.

The Corporate State

The "corporate state" is seen by Marxists as the last ditch entrenchment of the moribund capitalist order. No specific date is given for the final implosion of the system under the weight of its multiplying contradictions, but the picture is presumably one of "diminishing marginal incorporability". Eventually the contradictions will overload the structure. Alienated false consciousness will be torn apart,

as the proletariat's subjective view of the world comes, in a cataclysmic revelation, to coincide with its objective condition.

This model involves the endless administrative ad hocery of a desperate bourgeoisie, striving uselessly to postpone the final revolutionary synthesis. A much more terrifying proposition is that the corporate state may indeed be a convincing picture of our future, but not as a temporary phase in humanity's march to emancipation. It may instead prove to be the resumption of a long-lasting corporatism in human affairs, a resumption of corporatist pre-eminence in economic as in other decision-making.

Neither does it seem remotely likely to be a bourgeois phenomenon. It is much more likely to represent a paralysis in the system emerging from the incompatible demands placed upon economic production, income distribution and social agreement by interest factions of the sort so well analyzed by Brittan.⁽⁷⁷⁾ Above all else it will involve the disintegration of the value consensus of liberal capitalism. What we must face up to is the possibility that the Orwellian glimpse into the future is not a "crude fable" as Macrae would have us believe,⁽⁷⁸⁾ but a terrifying prescience, with Great Britain as a strong candidate for the status of first victim of such a retrogression, by way of a dialectical nemesis. Having been the first economy to emerge into the capitalist daylight, will not this

extraordinary society pay the price of such hubris, and also be the first to sink back, in her industrial senescence, into the corporatist darkness? Perhaps liberal capitalism is only a fantastically unlikely and unsustainable accident. Baechler has stressed its extreme improbability.⁽⁷⁹⁾ Is it only a brilliant, fleeting day of creative agreement, a glittering interlude in the long history of coercion? Perhaps we have scotched but not killed the corporatist serpent. The corporatist habit, acquired during the six millenia of agrarian society may reassert itself, and dim the infant morn of capitalism to aged night.

One must, I think, sound some notes of caution. Our society may be embarked on Hayek's Road to Serfdom. However, it may equally well not be. Samuelson certainly seems to think it is not.⁽⁸⁰⁾ To begin with, nostalgia for the past will not help. Friedman's picture of mid-nineteenth-century Britain does not fully convince.⁽⁸¹⁾ For all its dynamism, such society was surely less desirable than our own in many respects. Real wages were much lower, and a huge minority of people lived in desperate poverty. It is impossible to gainsay the progress we have made since then.

Secondly, it is possible that the developmental sequence, if there is one, is the other way round. On this view, espoused in my later chapter on socialism, it is indeed capitalism, not socialism, which is the historical newcomer, and capitalism which expresses the underlying

logic of emancipated (that is, rationalized) economic action. On this view, even if the whole world "went communist" there would be a standing temptation for individual societies to break ranks, for the sake of stealing a march through the adoption of superior (capitalist) techniques.

In any case it will be argued in the chapter on socialism that by one of the supreme ironies of intellectual (and general) history, it is socialist society which best fits the Marxist model of a society so transfused with contradictions that eventually the structure will not hold. The socialist economy of forced industrialization has generated within itself a womb of non-socialist logic, a living and undeniable "deep code" of industrial development, in particular a proto-capitalistic organization of occupations, which may eventually shatter the socialist carapace. It has also resulted in an unofficial "capitalist" economy, in the interstices of socialist planning.

In this sense the future may hold for the communist world, not a further extension of the state, but a massive contraction. In the advanced Western economies, however, is Ronald Dore correct in envisaging permanent management of income distribution by the state machinery?⁽⁸²⁾ More than that, is the interventionism which Popper believes has been so necessary since the nineteenth century,⁽⁸³⁾ an interventionism so feared and dreaded by the Friedmanites, likely to multiply? Perhaps, but I doubt it. The state,

the public sector, is a huge source of human capital formation. A great deal of human investment decision-making takes place within the public sector, or partly public sectors of education, medicine and transport. But the existence of a state sector in the economy which facilitates decisions about private human capital formation does not imply a substitution of state decisions for private decisions as to the deployment of labour. It does not mean state decisions as to where citizens shall work and at what, as to where they shall live, and so on.

The Friedmanite case leaves out the crucial question as to the differences between the state in liberal capitalist society and the socialist state. It is not that one would deny the general unpopularity of the social wage. Doubtless, as Lord Vaizey says, people would prefer to spend their own high disposable income rather than have someone else spend their income for them.⁽⁸⁴⁾ Neither is it difficult to agree that there is some limit to the extent to which a free society can endure the progressive removal of its economic life from market principles. It is nevertheless reasonable to argue that the capitalist state remains suffused with a consensus whose economic core is a market code deriving from and shaping the capitalist economy.

This is not to say that the state sector is run on market principles -- for the most part it clearly is not. It is nevertheless the case that in advanced capitalist society the consensus dominates the state machinery, such

that the latter is not able fully to impose by way of "back-reflection" an alternative "administrative code" in the market areas of the economy, in place of the market code which obtains in these. In any case, as Peter Wiles points out, the development of what he calls "state capitalism" in the advanced societies has actually accompanied a massive liberalization of social life.⁽⁸⁵⁾ The state in advanced liberal society in general neither intrudes nor claims the right to intrude on citizens, in ways comparable to the stifling pervasiveness of the modern Marxist-socialist state. It is possible to assert, quite baldly, that the state in advanced capitalist society is simply unlike the state in communist countries.

The crucial distinction between the state in capitalist society and the Marxist state is that in the former, state and wider economy are strongly, in the latter weakly, classified. In socialist society there is an institutionalized, specific ideology, leading to an intended predictability between system-parts. True, as many sovietologists have pointed out, there is a massive, unofficial, capitalist economy in socialist societies.⁽⁸⁶⁾ We shall attempt to derive some of the fascinating sociological outcomes of this and related issues in our later chapter on human capital and socialism. The point is that, suffused as they are with consensual ideas about competence and responsibility, liberal capitalist societies result in a high degree of functional autonomy accorded to their educational, medical

and other sub-systems. In socialist societies sub-systems are simply not left to their own devices in this way. For example, socialist education systems are expected to play a massive role in the dissemination of official Marxist ideology. (87)

Finally, an interesting aspect of the sociological derivations of human capital theory is this: so long as a highly developed, private human capital order persists, so long as men continue to make relatively free, rational choices to incur costs in order to augment their income, status or party position, so long will the powerful consensus of liberal capitalism survive, and that odious concentration of coercive state power, which would be so unseemly a retrogression for our civilization, be rendered unlikely. Nevertheless, there are corporatist elements in liberal capitalist society, and it is to one of these we now turn: the strange case of the professions.

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CHAPTER FOURHIDDEN CAPITAL: THE SOCIO-ECONOMY OF THE PROFESSIONS

Between two hawks, which flies the higher pitch,
Between two dogs, which hath the deeper mouth,
Between two blades, which bears the better temper,
Between two horses, which doth bear him best,
Between two girls, which hath the merriest eye,
I have perhaps some shallow spirit of judgement;
But in these nice sharp quilllets of the law,
Good faith I am no wiser than a daw.

Shakespeare: Henry VI, Part One

INTRODUCTION

So far in this thesis we have sought to establish that sociological interpretations of human capital theory are rich in their potential for explaining the structure of social control in advanced capitalist society. We have argued that such society involves an unprecedentedly cohesive consensus both permitting and depending on human capital formation. We have claimed that modern capitalism is a relatively open society based on a decentralized structure of economic decision-making.

We have also claimed that human capital formation, expressed in a complex occupational structure, is the main framework of the structure of hierarchy in capitalist society. The differential accumulation of human capital in this occupational structure is associated with a complex, gradualist class-structure, quite distinct from the discontinuous social divisions of corporatist social formations such as slavery or feudalism.

The "human capital order" is the essence of the socio-economic pluralism of modern capitalism. Though human capital formation is not associated with a new ruling class -- we have not for a second suggested that it is --

it does help explain that fragmentation in the structure of decision-making under modern capitalism which makes the model of a capitalist ruling-class untenable.

We have not denied that there are "power" elements in the capitalist dispensation. However, we have suggested that power is an overworked concept in sociological analysis generally, and that it is especially inappropriate as a central concept for the analysis of modern capitalism. Such society is a genuinely liberal society characterized by an effective socialization of the population through the internalization of a complex market code both deriving from and regulating the structure of economic action.

Nevertheless, it is also the case that human capital formation -- so important in the structure of economic decision-making -- though mainly a phenomenon requiring and generating openness in social arrangements, is not uniformly a phenomenon of a liberating kind. Like so many aspects of human progress and emancipation, human capital is Janus-faced. One face points to the daylight of the free society. The other points back into the corporatist darkness, to obscurantism in human affairs, to unperceived alienation in human relations, to that disguised ideological coercion (covert power) which the Marxist tradition, wrongly in our view, associates with modern capitalist society generally. Having previously outlined the socio-economic anatomy of human capital formation in its contribution to the free society, we turn now, therefore, to an examination of the

conditions of its closure, the mechanics of its privatization. We turn, that is to say, to the mysterious socio-economy of the professions.

I

Analysis of the professions has occupied the attention of sociologists for many years. No consensus has yet emerged and indeed it may reasonably be claimed that clarity and commonsense in this matter have too often yielded to ideology or special pleading. The claims made about the professions are in fact frequently intemperate. "Professionalism" is seen on the one hand as mere bourgeois rhetoric, and on the other as an almost ubiquitous trend in the division of labour. (1)

Such a dichotomy is of course no greater than others in the social sciences. Indeed, it is perhaps only symptomatic of a general dichotomy in the modern perception of the social world. Yet it may be argued that whether one's viewpoint is critical of, or favourable to, the notion of professionalism, one is confronted with an unsatisfactory debate.

The great lacuna in the literature on the professions is that economists have devoted so little of their energies to such study. (2) This has meant that our sociology of the professions has generally lacked an economic dimension. This is all the more surprising in that professionalism

is obviously au fond a massive phenomenon in the division of labour. Professions, as Lees points out, create and control human capital.⁽³⁾ Moreover they attempt to derive benefit from the privatization of specialized human capital, in the form of income, wealth, status and influence -- virtually every conceivable indicator of class is involved.

Professions also frequently seek and obtain state validation for their organizational forms, for their exclusiveness, indeed for their ideology. That is to say that they employ the administrative apparatus of the state in defence of their "property" in a way that is precisely akin to that envisaged by Marx in his discussion of the bourgeois state: "the executive arm of the bourgeoisie."⁽⁴⁾ So also do trades unions in some capitalist economies. I would claim that this constitutes further damage to the Marxist case, but that is another story.

Even the most sophisticated sociological analysis, such as Johnson's fails to recognize that professional expertize is a property, a capital. In Lees' excellent economic monograph, on the contrary, we find an admirable willingness to puncture the inflated self-image of the professions and their disingenuous rhetoric,⁽⁵⁾ with an unproblematic view of what professionalism actually is. He takes at their word the claims of any group that they constitute a profession. Such acceptance is not helpful to occupational analysis.

On the other hand, if one is to study the professions,

the obvious place to start is where the consensus is strongest. This does not mean that we will engage in a cross-sectional trait analysis. Merely to identify the characteristics of assumed professions, and then to try to boil these down to some essential core is, as Johnson rightly points out, ahistorical.⁽⁶⁾ Nevertheless, we may take it that doctors or lawyers do have some distinctive characteristics, that however problematically, they are "professional" in some central sense in which "professional" footballers or layabouts are not.

To uncover their occupational strategy, the student of the professions must penetrate their ideological facade, must try to reveal inconsistencies between proclamation and reality. I submit that the unifying theme of the development of the professions has been a defence of covert property rights, of hidden capital. The backdrop to the entrenched position of the medical and legal professions in advanced economies is economic growth -- higher living standards and expectations, and a huge growth in the number of economic transactions and in the size of the capital stocks of the economy, both physical and human. The historical genesis of the professions has involved occupational groups coming to control both the production of services relating to this economic development and also their consumption. The growth of professional ideology has been the widening mask of self-interest. Professionalism is a manifest ethics but a latent economics.

The difficulty for the analyst of the professions has always been the force and insistence of the ideology they generate. Thus arises the extraordinary polarity in the picture of the professions that sociologists variously present. On the one hand professions are seen as defending the individual against the encroachments of the state or big business.⁽⁷⁾ On the other hand, professions are identified as bourgeois interest groups of a conspiratorial kind.⁽⁸⁾

In my view most of the literature on the professions is indeed crude and, as Johnson says, lacking in dynamism and historicity. Much of this shortcoming could have been avoided had professional economic history been properly put together. However, even to the eye of the casual historian, the professions reveal themselves as unique and fascinating, encapsulating the newest and most traditional aspects of our social life in an ambiguous, uneasy and even potentially explosive synthesis. It is arguable that it is in the professions and not in the big business corporation that the contradictions of our age have become incarnate. Every epoch has its anomalies; the professions are ours.

The professions are older than industrialism. They nevertheless have grown to unprecedented pre-eminence in industrial society. The enormous growth in the economic resources the professions now manage, the influence which such resources imply, and the ubiquitous ideology of legitimation involved, in a sense typify modern society. Professions reflect both changes in the composition of factor inputs to

the economy, and changes in the composition of outputs. Professions are part of the growing specialization of modern economies, of the complex consumption, maintenance and investment activities that this specialization both represents and entails. Perhaps, above all, professions indicate the increasing pre-eminence of knowledge and expertise in the determination of a wide range of social processes, though the strange consideration here is that professions have a curiously "un-modern" organizational structure. As we shall see, professions secure much more effective deep-rooted and obfuscating interference with the competitive workings of the markets in which they operate, than is the case with the genuine bourgeoisie. Thus, as well as typifying modern economic development in some respects, professions also contradict its central cultural category -- the "market code" of capitalism.

One notable aspect of medicine, law and psychotherapy, is that as well as discharging new functions and enlarged traditional ones, they have also appropriated functions previously accorded to other groups. Thus the medical, psychiatric and legal professions, in addition to displacing (largely) the clergy, have also, to a considerable extent, taken over the functions which in earlier times were the province of the elderly as a social group.⁽⁹⁾

Of law and medicine in particular, it can be said that their star has been waxing in the advanced world for at least two centuries. Industrialism has been their watershed and

the nineteenth century witnessed particularly rapid gains.⁽¹⁰⁾ These have been consolidated and expanded in the twentieth century, and as far as societies like Great Britain and the United States are concerned, I regard Terence Johnson's opinion that professions are in decline as grotesquely premature.⁽¹¹⁾ It would be much more pertinent to stress, as Johnson does not sufficiently, that professional production, swollen through the expansion of capitalist production, is nevertheless akin to the restrictive, corporatist guild economy of pre-capitalist society, of the medieval era. The professions in fact are an historical hybrid, curious but immensely formidable, with one foot un-nostalgically lodged in the Middle Ages and the other rather ambiguously planted in high technology.

Professionalism is high-status tertiary production. It is a key element in the middle-class ascendancy. Admittedly professionalism is only one element in the rise of the middle classes. With the development of what has been called the technostucture,⁽¹²⁾ managerial and scientific labour have made increasing challenges to bourgeois pre-eminence which parallel those of the professions. There has also occurred in the twentieth century, the astonishing spread of bureaucracy, in the wake of the increasing complexity of economic production and social administration.⁽¹³⁾ A very complex inter-twined collection of middle-class forces has developed. To some extent this reflects participation with bourgeois interests in the organization of the

physical capital of the economy. The degree of conflict as opposed to consensus in this matter, between the traditional capitalist and the bureaucrat or technocrat is a large and unresolved issue.⁽¹⁴⁾ Much less in doubt is the overwhelming pre-eminence of these middle-class forces in the question of the human capital order.⁽¹⁵⁾ Medicine, law and education, for example, today involve societal sub-systems comparable in size to major industries. This is true both in terms of their resources and in terms of the employment they generate.⁽¹⁶⁾

Professions create human capital formation in two ways. First they accumulate it for themselves. Secondly they create it, or maintain it, in their fellow citizens. A doctor, for example, both embodies human capital formation in his own training and activity, and creates or maintains it in his clients. Lawyers possess this latter characteristic less obviously than doctors, though they greatly influence a wide range of economic activities, including the operation and maintenance of the physical and human capital stocks. To take just one example, lawyers are often involved in actions concerning industrial and other accidents, where loss of earnings occurs, that is, where human capital has been damaged.⁽¹⁷⁾ Naturally, only that proportion of a man's earnings which results from his education and training, from the medical treatment he has undergone, from the job-search he has undertaken and so on, represents human capital formation, and it may be difficult, or impossible, to identify

all this. Nevertheless, in principle it seems clear that much of the law relating to employment involves the protection and maintenance of human capital.

Clearly middle-class domination is also shown in pre-eminence in intellectual and cultural production generally, and in their reproduction.⁽¹⁸⁾ In the development of pressure groups, in the accumulation of general know-how with regard to law, government and school, the middle classes have done disproportionately well in overall terms. It can be plausibly argued, in particular, that professionalism has been a central force in the "human capital order" which has made of the middle class an identifiable social group, arguably a real, if rather inchoate class, and certainly one which it is impossible to represent convincingly as at the coat-tails of a bourgeois dispensation.

It is by no means clear that the interests of the various professions are always in accord.⁽¹⁹⁾ Neither, however, are those of bourgeois groups. Nor do professional interests necessarily match those of other middle-class social groups such as bureaucrats and scientists. At one level, indeed, it may be argued that the professional has by definition an interest in the clientizing of everyone else -- other professions, bureaucrats, big business and working class alike. These intra and inter-class relations are fascinating but belong properly to another work. My present purpose is to assert that it is not possible

properly to anatomize the structure of social control in modern societies, without a serious consideration of the professions.

An important point is that in a sense the professions are an unproblematic case of human capital formation. Their long training programmes represent heavy costs, and their high mean earnings, extended salary structures and high psychic gratification (status) place them among the most remunerative of occupations.⁽²⁰⁾ It is true that they call only segmentally on expertise -- doctors and lawyers perform many tasks in the course of their work which require little or no specialized knowledge. Examples include form-filling and telephoning. Yet there is a core of skill which is occupationally specific.⁽²¹⁾ Few people have mastery of the Law of Contract or the techniques of heart surgery. Professions thus at least partly escape the strictures of critics like Peter Wiles, who attacks the notion of human capital in view of the notoriously bad fit between the content of most higher education and the nature of the occupations in which most graduates engage.⁽²²⁾

The key to understanding the professions, however, lies not in recognition that they possess human capital, but that they privatize it. It is important to stress this word "privatize", for it could hardly be denied that medical and legal activity must rest, au fond, on a substantial bedrock of consensus. Furthermore, however open the social organization of medicine and law may become, these occupations

will inevitably involve very considerable human capital formation. Thus it is on the mechanisms of privatization, which distort the workings of the market, that we must concentrate. It is privatization which makes professionalism so striking an example of socio-economic power. "Power" here means the ability to constrain the behaviour of others. What is implied, in fact, is a Marxist version of "power" as disguised coercion, the manipulative outcome of pseudo-consensus, where the dis-benefitted systematically misconceive the nature of the social activities in which they are engaged. The established professions possess the ability to influence or control certain aspects of the behaviour of the entire citizenry. This is achieved both by the manipulation of individuals and by the manipulation of institutions. The ideology propagated disseminates the idea that the professions are indispensable and the notion that their knowledge is arcane and mysterious. In this way, income and status of a higher order than would be afforded by a more competitive organization of these occupations are generated and sustained. Membership of a profession thus constitutes a privatized property yielding a multi-faceted benefit stream. It is time to consider the nature and organization of this property in more detail.

II

The core of the professional power, I shall submit, is a marked, simultaneous discretion over the conditions of demand and supply of the service in question. How this is done, the exact techniques employed and the implications which arise, I shall discuss later. At present, however, I would like to advance my thesis encapsulated in the two educational notions borrowed from the work of Basil Bernstein which I have employed throughout this thesis--namely "classification" and "framing".

We have already suggested that professionalism is a manifest ethics and a latent economics. In the terms borrowed from Bernstein we may say that the essence of professionalism as a form of knowledge-property management, is that the expertise is strongly classified, and the client strongly framed. The socio-economic functions of professional ideology are thus the securing of boundaries for professional expertise, both with regard to its definition (classification) and its dispensation (framing).

Professionalism, then, is simultaneously a legitimating and manipulative ideology. However, as with most ideologies, the protagonists are believers as much as the clientele. This is what makes neo-Marxist writing like O'Toole's so inferior to that of the master.⁽²³⁾ O'Toole

sees professions as bourgeois interest groups of a conspiratorial kind. This is wrong on two counts. First, professions are not bourgeois but middle class. The conflation of these terms is common, particularly in the sociology of education.⁽²⁴⁾ But it is a dangerous short-hand and quite inadmissible in any specific writings on the theory of social class. Professions are, in fact, in some respects the paradigm case of the middle classes.

Secondly, professions are not conspiratorial. They do not regard their pre-capitalist, medieval notions of control and regulation as inhibitive of economic efficiency or utility maximization.⁽²⁵⁾ They believe in their own ideology. Behind the service ethic of law and medicine, we repeat, lies a multi-functional latent economics. The ideology persuades its practitioners both that they are not as other men and that they are selflessly devoted to the welfare of their fellow. It also persuades non-professionals that this is so. The ideology of professionalism does not only disunite and fragment the clientele; it also surrounds the practitioners in a soothing and obfuscating cocoon, entrapping them as much as the unfortunate consumer in a false consciousness. Thus it is only when we examine the nature and functions of the ideological proclamations, the closure techniques by which professional activity is buttressed, that we realize how shaky and ill-founded professional claims are.

First of all, it is noteworthy that the high status

attending professionalism is not related to the efficiency of professional output. Indeed, it is part of my purpose to argue that professionalism is a strikingly inefficient form of economic activity. In fact it is public evaluation of the importance of their activity, not the efficiency with which it is discharged, which secures the high status of the established professions. Medicine and law are universally regarded as high professions; their outputs, however, are problematic in the extreme, hard to identify, and even harder to measure.⁽²⁶⁾ Many, perhaps most, low status activities, have more readily measurable production functions. For example, a road sweeper can clean a pavement more efficiently than a general practitioner can treat a common cold, and in almost every case the former's activities are econometrically more tractable than the latter's.

Similarly the "output" of legal activity is highly problematic. A barrister's output is a blurred dialectic between his intellect, skill, experience and judgment on the one hand, and the "facts" on the other. The facts are clearly not variables; neither, however, are they entirely givens. They are "semi-givens", partly dependent on the lawyer's mediation. Of what, precisely, are guilt or innocence, in the case of criminal law, a function? Considerations of this kind, incidentally, throw grave doubt on the commonly found view that teaching is usually a low status activity because of the diffuseness and vagueness of its output.⁽²⁷⁾ In many respects medical and legal production

are equally vague.

Professional ideologies have the function of hiding, from practitioners as much as from clients, the very existence of these awkward considerations. In the case of medicine, we find similar production function problems to those outlined above, when we turn from individual ministration to the most aggregated and secular context. The enormous improvements in average health in the advanced economies in the last two centuries, are arguably not in the main the result of medical intervention, as narrowly, i.e. professionally defined. Such advances have as much, or more, to do with dietary and sanitary improvements, although the medical profession is their outstanding beneficiary. (28)

The doctor would be of no significance in a society which had conquered death; he is however the recipient of an extremely insistent demand in a society which increasingly keeps death at bay. Even now, however, it is by no means clear that the doctor looms larger than the dustman or the sewage worker in the constant war against infection.

Thus, it may be claimed, there is an element of unintentional misrepresentation in the vociferous classification of their knowledge-base on which doctors insist, through the dissemination of their ideology. And there are other, and more dramatic, examples of the way in which their ideological classification masks the parasitism of medical practice. For in reality medicine is partly parasitic on non-professionalized contributory research in neurology,

bio-chemistry, micro-biology and medical physics. On inspection, law, too, is heavily dependent on non-professional contributions. There is nothing essentially legal about fingerprints and blood group classification on which legal practice now heavily depends. The dependance on extra-professional contributions is perhaps less in law than in medicine. Yet it still obtains.

What is perhaps startlingly true of professionalism is that it is a form of production at a considerable remove from the innovations of knowledge and practice which constitute, at least in theoretical abstraction, the main motor of socio-economic change and development in an industrial economy.⁽²⁹⁾ Those branches of reasearch on which development is dependent, are non-professionalized. What Galbraith calls the "technostructure" consists overwhelmingly of non-professionalized production.⁽³⁰⁾ Indeed, it may be postulated that were intellectual activity at the frontier of research and innovation, restricted in the way that professional activity is restricted, then the rate of knowledge advancement would be reduced. Professionalism, with its deep-rooted myths and pre-emptive protocols, would be a fetter on free intellectual inquiry, a cybernetic disaster.

It may be argued that professionalism is in many ways akin to an institutionalized Marxism. Clearly, the two phenomena exist at very different levels of aggregation, and the analogy may seem at first blush far-fetched. In

fact, the similarities are striking. In both cases we find, within their delineated areas, a preposterous claim to near omni-competence. There is the same parasitism on other sources of research and information, the same propaganda-control problems, the same need to socialize, fragment and weaken the discretion and initiative of the clientele/citizenry, and the same orientation to what are essentially pre-capitalist modes of social organization and economic production.⁽³¹⁾ It is precisely for this reason that professionals are able to survive, even to flourish, in socialist societies. Though not much commented on, this is not surprising. Like medieval thought, Marxist thought is largely concentrated on man as producer. Man as consumer is scarcely considered.

Let us return to Bernstein's most fertile conceptualization of cultural transmission. This can be put to excellent use in the context of analysis of the professions. For Bernstein, the combined strengths of classification and frame will be expressed in "evaluation", the forms of assessment, grading and certification which obtain in the education system.⁽³²⁾ Evaluation is therefore an overarching matrix for the organization of school-knowledge. Under professionalism, the unifying matrix is an evaluative consensus encapsulating the degrees of expertise-classification and client-framing achieved. Classification is control over supply; frame is the control over demand. The evaluative consensus reveals the degree of control enjoyed by the occupational

group over the market as a whole, over production and consumption jointly. Let us now consider professional supply and demand factors separately.

III

Professionalism as the Management of Supply

In a sense professionalism is only a specialized form of trades unionism, albeit a particularly ancient and powerful one. (33) All trades unionism is an attempt to regulate the conditions of employment. This is to say that trades unions attempt to regulate the supply side of production. The two strategies for such regulation involve either control over the flow of output, or control over one of the inputs, namely labour. Many trades unions use both approaches. Production can be halted by strikes- labour inflow to the activity in question can be controlled by power over recruitment policies, rules regarding qualifications, etc. Some activities, for example restrictive practices, can affect supply in both these ways simultaneously.

In this kind of supply-management, professions have the appearance of particularly strong and active trades unions, and ones, moreover, whose situation is often secured by law. The bestowal of closed shop status on the professions, gratis, is one of the most striking dysfunctionalities of the nineteenth-and twentieth-century legal and state

apparatuses in industrial society.⁽³⁴⁾ Not for doctors and lawyers, the tortuous and embittered two steps forward for one back, of more mundane trades union emancipation in the nineteenth century. Not for them Peterloos and Osborne judgments, Haymarket massacres, and the imbalances of a law of contract whose violation was a criminal offence on the side of labour, but a mere tort vis-a-vis employers.⁽³⁵⁾

Professionalism is clearly akin in many ways to deliberate imperfections in physical production. The iron control over entry qualifications and training which the professions secure and their power over definition of bona fide production, are massively similar to patents and other barriers to entry in the production of conventional goods. The crucial difference, however, is in breadth of exclusiveness. Though no production can be totally monopolized, in the case of professionalism production is amazingly privatized. A soft drink may have a patented formula; but in the case of professionalism we find, as it were, one firm with sole production-rights over all soft drinks.

Many of the "traits" identified as characterizing professional production are only the logical conditions or outcomes of successful supply management. Professions are few in number, have long training procedures controlled and validated by the occupational group itself and are able to control recruitment.⁽³⁶⁾ None of this, we repeat, is very distinctive, save perhaps that in popular imagination it is not a source of recrimination for professionals as for some other groups.⁽³⁷⁾ Let us discuss why this should be so.

Let us now turn to what is much more distinctive about professions: their extraordinary control over the conditions of demand.

IV

Professionalism as the Management of Demand

Professionalism is a global strategy. It attempts to secure control over the conditions of demand as well as of supply. The de facto or de jure "monopoly" position conferred on the high professions in advanced industrial society permits exclusiveness and barriers to entry such as to facilitate demand as well as supply manipulation. The demand element is the less usual; it logically subsumes control over supply conditions. No group can control demand without controlling supply, though supply control is only a necessary and not a sufficient condition of demand control. Naturally "control" is misleading; it cannot be total and that it is not claimed. Nevertheless between professions and what are called semi-professions, the great distinction is the relative weakness of the latter in the case of demand influence.

Control over the conditions of demand does reflect back on the supply side of production. The successful "freezing" of patterns of demand reinforces occupational hegemony in the shaping of supply. To sum up: strong classification

is a logical condition of strong framing; at the same time strong framing of the clientele by the occupational group reinforces the privatized process whereby output is classified.

The essence of the demand strategy is to heterogenize the overall demand for professional output, to disunite and fragment the non-professional public. There must be minimal non-professional participation in defining what counts as production. An elaborate and constantly renewed client socialization is engendered to this end.

Such client socialization (alternatively conceived as the dissemination of professional ideology) has the economic function of retaining and expanding the demand for professional output. Demand is rendered income elastic, such that the professions are able to secure a revenue which is not a falling function of national income.⁽³⁸⁾ Simultaneously, demand is rendered price inelastic, such that the public will not switch to alternative goods in the presence of rising real or relative professional prices.⁽³⁹⁾ Total demand is thus greater and more "loyal" than would be the case in the absence of massive client socialization.

Socialization is not confined to the clientele. The professions themselves are also subjected to it. It has to be repeated that no conspiracy is involved, and that practitioners, although they are the beneficiaries of their ideology, are as much trapped in it as their clients.

Socialization secures public deference, and through

deference is created the professional equivalent of brand loyalty. Examples are legion. In the case of medicine there are the hierarchical devices which constantly reinforce the practitioner's position and maintain social distance between him and the clients. The separation of the litigant from the barrister by the solicitor in legal process in Great Britain is a good example. More generally, there is the role-enhancing of the professional by the organization of secretarial and para-professional staff. The most striking case of this is nursing, which enormously enhances the role of the doctor. The Anglo-Saxon habit of calling medical clients "patients" testifies to a long history of client manipulation. In Great Britain at present, social deference to doctors is revived by such devices as insisting that clients and doctors use different entrances. (40)

Obviously the elements of professional strategy will vary both internationally, and inter and intra-occupationally. Nevertheless, it may be claimed that the notion of a profession is an ideal type, useful for analysing certain occupational groups characterized by very strong powers of frame vis-a-vis the demand for their output. Such groups are active in all advanced societies, though it is beyond the scope of this chapter to pursue far the interesting question whether they are stronger in "socialist" countries or in those where significant private business survives. What can be postulated of the professions, however, is that

in capitalist society their position is strengthened where they operate in public sectoral contexts.⁽⁴¹⁾

A number of reasons can be adduced for this, First, public sectoral work enhances the ideology of professional non-selling, the view that in some sense professionals do not "sell" their output.⁽⁴²⁾ Secondly, it reduces the visibility of the client as consumer. In so far as the client is a consumer faced with a bill, he is, to some extent, able to drive a wedge into the frame in which the professional seeks to fasten him. A third, related point, is that public sectoral production partially disguises costs, reducing the likelihood of a switch to other goods when prices rise. On this view, it will be seen that the paradigm professional is the British doctor working in the national health service.

As in the case of supply, many of the traits held to characterize professionalism, the enunciation of which is derided as ahistorical by critics, are no more than the logical conditions in principle, and in the fact the devices, of successful professional demand management. Such devices constitute, collectively, the strong framing of the clientele/citizenry by professionals. Power over the social definition of output and occupation is maintained by the securing of the conditions of demand.

The insistence on professional ethics is one such device. This secures occupational unity and largely defines out any client discretion in the professional/client

relationship. Such ideology also interprets for the layman the view he holds of professional production, and therefore to some extent his demand for it.

The celebrated resistance to bureaucracy is another example.⁽⁴³⁾ This represents no more than the prevention of demand concentration in sources which require a say, even a definitive say, in what counts as production. As Johnson rightly points out, it is the indispensability of "rational" accounting and actuarial procedures to modern capitalistic enterprise which explains the semi-bureaucratization (i.e. de-professionalization) of those activities, despite their relatively recondite knowledge-base.⁽⁴⁴⁾

The dramatic context of professional interventions is another example. Drama, after all, can be heightened by interpretation. Certainly, people care about feeling well, about their marriages, about the roofs over their heads, about their mental health. What is not generally recognized is the professional role in interpreting and shaping the public response to these concerns. It is this manipulative discretion, which endows professions with a status higher than could be generated by the genuine consensus on which medical and legal activities must inevitably rest, which renders the concept "power" more relevant for analysing the professions than for analyzing the situation of the bourgeoisie.

Like the general structure of social control, various occupations are a confluence of consensus and power. Some trades unions, for example, possess coercive power. What I

am asserting is that the professions are characterized by a strong element of manipulative power.

Face-to-face encounters have been said to characterize professional production. Even this may be less indispensable than realized to genuine legal or medical imperatives. Much legal and medical activity is already codified and standardized (that is, bureaucratized). Perhaps much more could be (and, rationally, in terms of efficiency, should be). The insistence on face-to-face encounters may be more vital to professional power than to client welfare in some cases. Codification threatens, after all, a possible fall in the demand for professional services.

V

The Evaluative Consensus: Professionalism as Market Control

The professions have achieved, in the advanced economies, an unrivalled pre-eminence in what may be called the "social relations of the market", a concept subsuming the relations both of production and consumption.⁽⁴⁵⁾ The consumption element is especially important. Sprung in large measure from the spending of economies which increasingly easily minister to basic social demands, the professions have achieved a powerful position with regard to shaping, defining and regulating that spending.

Professionalism, as a form of production, both requires

and engenders a favourable evaluative public consensus. It is a consensus in two layers. Its bedrock is the high measure of agreement that any society seems likely to display as to the significance of medicine and law. This is the genuine consensus which a hypothetical free market would create. It is the engineered, manipulated, professional accretion which concerns us here. Thus we identify both genuine agreement and disguised conflict and coercion in the evaluative consensus. This consensus expresses occupational hegemony in the classification of supply and in the framing of demand. It precisely expresses the power of the occupational group.

The consensus also permits the secular reproduction of the professional form of production. Through such a consensus the professions are able to ward off non-professional intrusion into questions of production generally. Each professional contact may reinforce the consensus, and in macro-social terms the professional claims are constantly reinforced by representation in the mass media and in public institutions. In many countries lawyers and doctors are particularly prominent politically.

The consensus involves a definitely anti-capitalist ideology to the effect that professions do not "sell" their output, that they are free from vulgar competitive jostle, that they are somehow remote from sordid considerations of resources and efficiency, above the inter-twined imperatives of scarcity and choice.⁽⁴⁶⁾ To the sceptical

historian or economist, such an Olympian stance, such mystification, is a source of amusement or irritation. Practically, however, it implies a reactionary organizational structure of Rosicrucian remoteness from the layman. Certainly it is hard to imagine any aspect of modern social life more powerfully exemplifying the Durkheimian notion of the sacred and the profane,⁽⁴⁷⁾ than professionalism.

Two striking paradoxes are involved. First, there is the oddity that though nothing better typifies modern societies than the huge growth in the production of medical and legal services that has occurred, the occupational groups involved have preserved a pre-industrial occupational structure and ideology. The professions have adapted many of the techniques of modern science to their own advantage, yet at the same time have resisted the central thrust of liberal, bureaucratic rationalism. Though they have not managed totally to control the demand for substitutes, the professions have shown great powers of flexibility and absorption. For example, the resistance to osteopathy by the medical profession in Great Britain, may be only a prelude to incorporation. In some countries (e.g. Scotland) the functions discharged by estate agents in England have been privatized by lawyers.

The second paradox is that professional ideology itself is so non-economic in tone, whereas the underlying structure of professional organization is so overwhelmingly economic in significance. Consider for example the general ban on

advertising on which professional ideology insists. (48)

The general ban on advertising is to be regarded as a quintessential element in demand management. In the case of manufactures and non-professional goods, the function of advertising is to develop brand loyalty in order to establish different patterns of demand from those which would obtain in the absence of intervention.

In the case of professionalism, the engendering of an evaluative consensus favourable to the professions, renders advertising de trop, even counter-productive. The nature of the strong framing of the client by the professional is that the former is inhibited from making a rational appraisal of the relative real costs and risks, as opposed to the benefits, of alternative courses of action.

Professional ideology stresses the certainty and standardization secured by professional policy. By discouraging clients from resorting to non-professional alternatives, professionals promote greater reliability. By prohibiting intra-professional competition, they secure greater certainty of output.

Denis Lees would concede that certainty may indeed be enhanced in this manner. But certainty and standardization themselves have risks and disbenefits. (49) A classical English and Welsh case would seem to be the conveyancing of houses. This activity is confined de facto to solicitors. There is no actual prohibition of the individual citizen from conveying his own house though, soaked in professional ideology, few citizens do. Attempts

to set up non-professional conveyancing organizations, however, have been very smartly (professionally) nipped in the bud. (50)

There is merit, from the point of view of consumer utility, in allowing citizens to trade the greater reliability of professional conveyancing against the lower price of alternatives. There is merit in allowing consumers choice between competing professionals, where the lower charge of one may involve an element of carelessness or corner-cutting. The demand manipulation of the public by professionals, reduces the likelihood of these eventualities. Within the logic of classical economic liberalism, professionalism is, therefore, a source of dis-utility. In general it may be presumed that professionally unconstrained consumers will prefer to standardization, the right to weigh the greater certainty of entrusting certain activities to a professional, against the higher price of so entrusting him rather than a non-professional. The existence of professional production, however, makes it impossible to find out.

On this view professionalism is an irrational use of resources, an unwarranted petrification of occupational structures, an unjustifiable restriction in the circulation of relevant knowledge, an unmerited and unconstitutional accumulation of power and an enforced retardation in the general process of socio-economic change.

In the author's view, the standard indictment of

advertising in capitalist economies has been misleadingly cast in terms of abuses which are in fact incidental rather than inherent (sexual prejudice, philistinism, competitive consumerism, etc.). Such a stance is blind to the underlying utility of advertising, a utility which directs discretion back from the centre to the individual, a utility which has a wholesomely destabilizing effect on human organization. By ministering to individual preference, advertising augments economic rationality.

Professional client socialization, by contrast, seems to involve precisely all the disbenefits of advertising, without its advantages. It is as manipulative as any competitive advertising, without the genuine informative character of the latter. Advertising is part of the dynamic process which Schumpeter had in mind when he spoke of a "perennial gale of creative destruction".⁽⁵¹⁾ Indeed advertising may be thought of as a destroyer, as well as a creator, of particular patterns of consumption.

Is it not arguable that an overt, profit-geared advertising might loosen bonds which under professionalism are kept tight? May it not be the case that client socialization, a covert, surrogate advertising, secures fetters more inhibitive of flexible and sensitive economic resource use than overt advertising ever could? Straight advertising, by asking previously unbroached questions, might disseminate new knowledge and ideas in such a way that a wholesale revision of the conditions of demand occurred.

Doctors do not want a situation in which the relative values of a trip to the chemist or a trip to the surgery are rationally pondered. Solicitors in this country do not want large numbers of citizens conveying their own houses.

If advertising were to serve an heuristic function in areas presently professionalized, consumer utility would be enhanced. A more rational and nearer optimal pattern of resource use would be possible. Conceivable outcomes might include the rapid advance of osteopathy to a position as bona fide therapy, the collapse into each other of illegitimately separated professional functions (in Great Britain solicitors and barristers?), the fragmentation of medicine into its constituent specialisms, a more general recognition of the contributions to human welfare of non-professionalized activities, and above all, enlargement of the sphere of individual competence and initiative.

Here, to hark back to a point made earlier, the author would suggest that the anti-advertising stance which socialist regimes and professional production share in common is, in fact, the central strand in their affinity. At present the stance (however unconscious) of professional occupational groups is: why use overt, destabilizing advertising when ideology is such a successful covert advertising? My view, by contrast, is that whatever imperfections and rigidities may be secured by conventional

advertising, they are small beer indeed compared to the formidable structure of obfuscating prejudice within which the professions carry out their functions.

The professions are epitomized by the long-run retardation of resource-pattern change which they secure. In the short run, their supply and demand manipulation constitute a situation similar to the effects of barriers to entry in manufacturing. Where a firm sits on a patent super-normal profits can be earned. But as Schumpeter pointed out, short-run obstacles may be a source of long-run technological innovation, the "creative gale of perennial destruction".⁽⁵²⁾ Professionalism, often protected de jure as well as de facto (through the evaluative consensus), is different. My proposition is that professionalism is also a source of long-run retardation. No manufacturing firm could ever enjoy a patent so multifaceted as the pre-eminence enjoyed by the high professions. The rationalist imperative has not fully penetrated the inner sanctum of some of the most extended and significant aspects of modern society: its medical and legal sub-systems.

The outcomes of the professional evaluative consensus can be enumerated and formally represented in simple neo-classical terms:

1. The number of practitioners is restricted below what a "free" market would engender.⁽⁵³⁾

2. The demand for professional activity is rendered greater than would occur in a free market.
3. The degree of price elasticity of demand for professional activity is lower than under competition, and the degree of income elasticity of demand higher.
4. The price of hypothetical units of professional production is higher than would occur in a free market.

These four conditions generate gross professional incomes higher than competition would produce, incorporating considerable monopoly rents.

5. The flow of economically relevant information is curtailed.
6. The mechanism of resource allocation is irrationally distorted.
7. The occupational structure is more rigid than a free market would occasion.

In sum, these seven outcomes coalesce in:

8. The consumer utility from a given level of resources is reduced as compared with competitive conditions.

In order to explain diagrammatically how professional pricing occurs one must first demonstrate what a perfectly competitive production of the same activity would lead to. This is seen in Figure 1 (page 36). Here, demand for and supply of a unit of production are seen as totally un-professionalized. This implies that there are no barriers

to entry, no client manipulation and perfect consumer knowledge. Obviously the figure represents an ideal-typical situation, and is purely heuristic in character. Pricing is shown at the overall market level, rather than that of the individual firm.

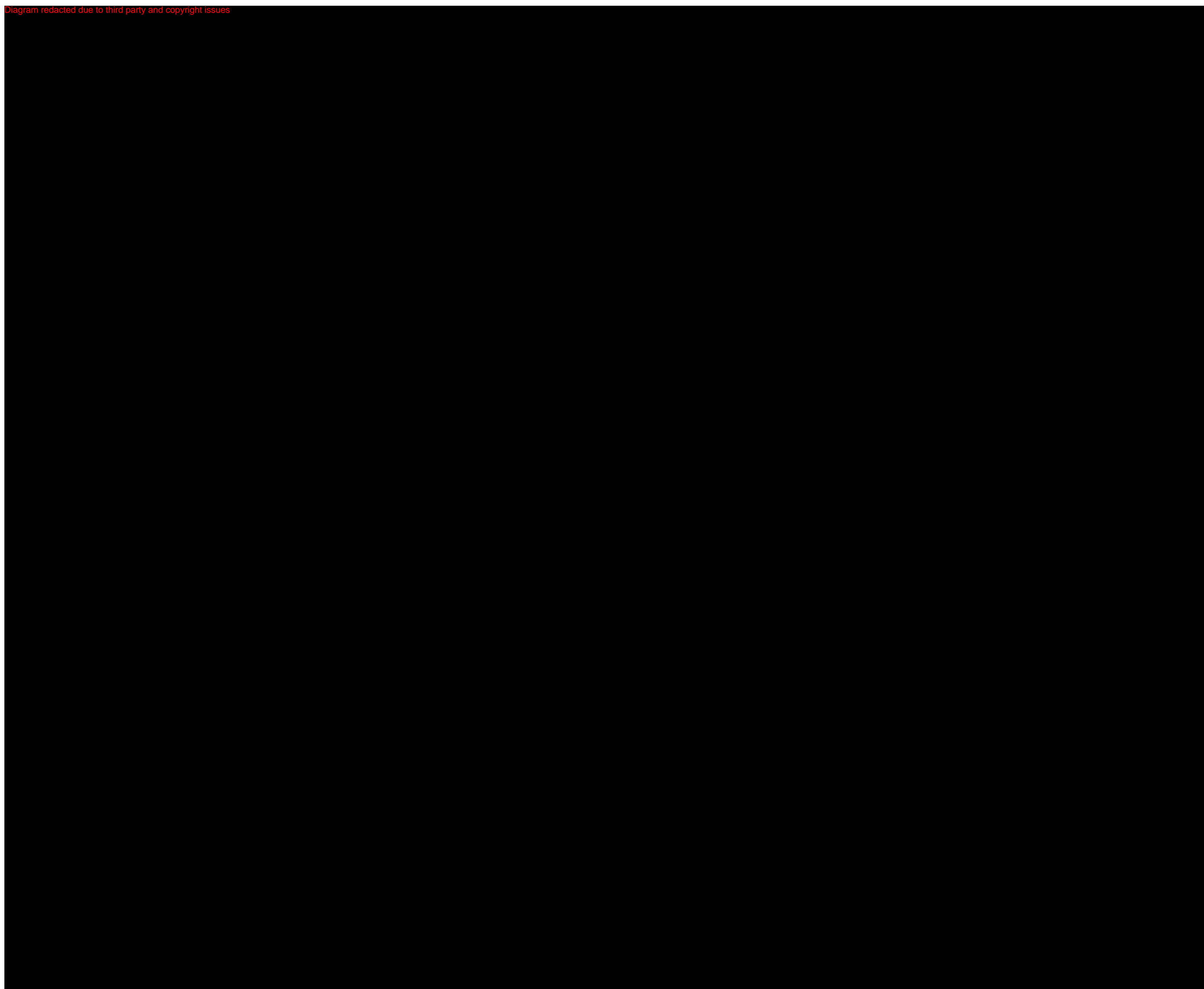


Figure 1

The pricing of a hypothetical unit of medicine or legal output in the total absence of professionalization.

In Figure 1 the price of a hypothetical unit of production is shown by the interaction of totally non-professionalized demand and supply schedules.

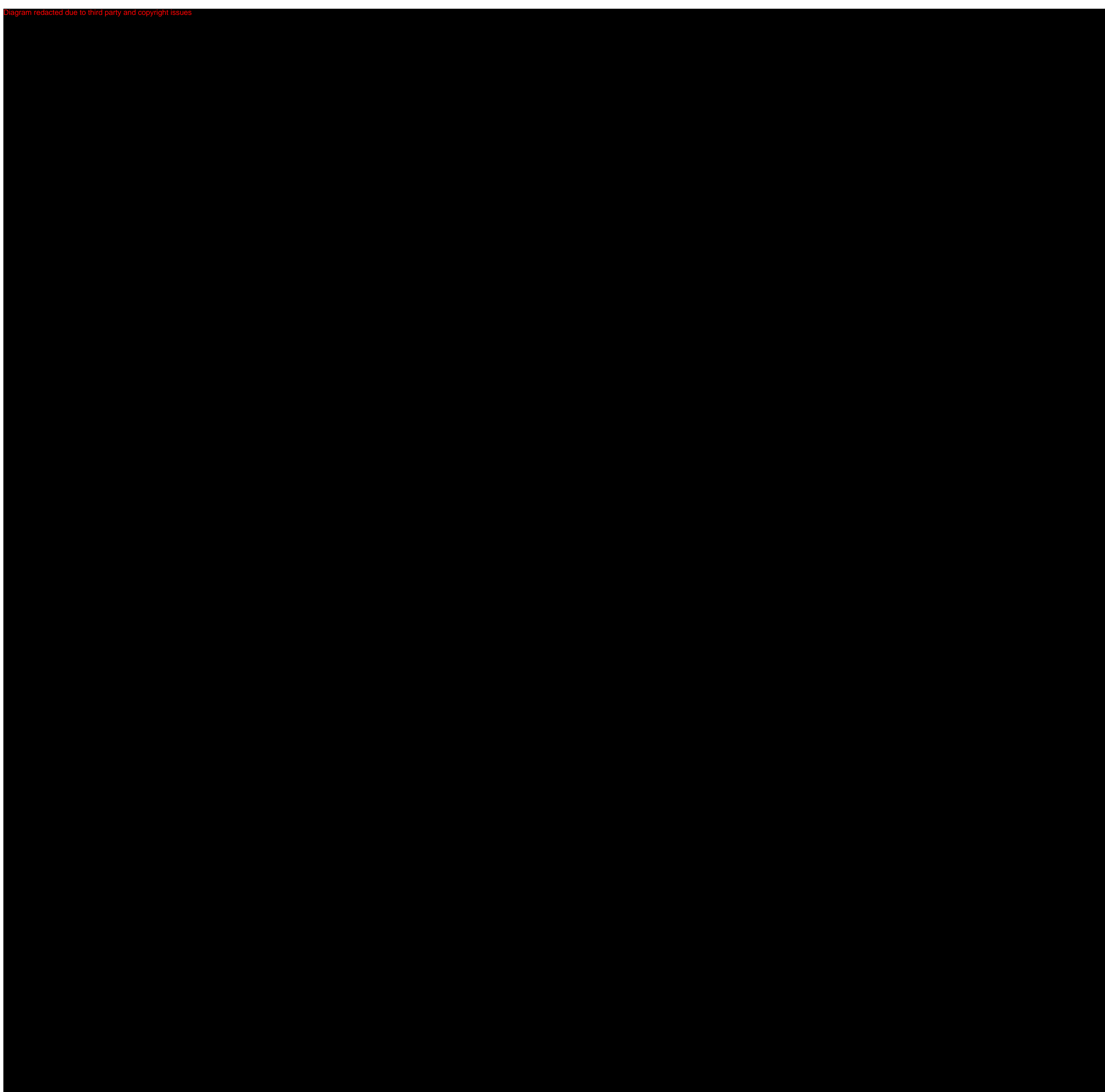


Figure 2

The pricing of a hypothetical unit of medical or legal output when supply is "professionalized".

In Figure 2 (page 36) it is demonstrated that supply closure techniques can create a monopoly rent on the price of our hypothetical unit of production. Here the supply curve is pushed to the left and upwards, and a monopoly rent of pp_1 is created.

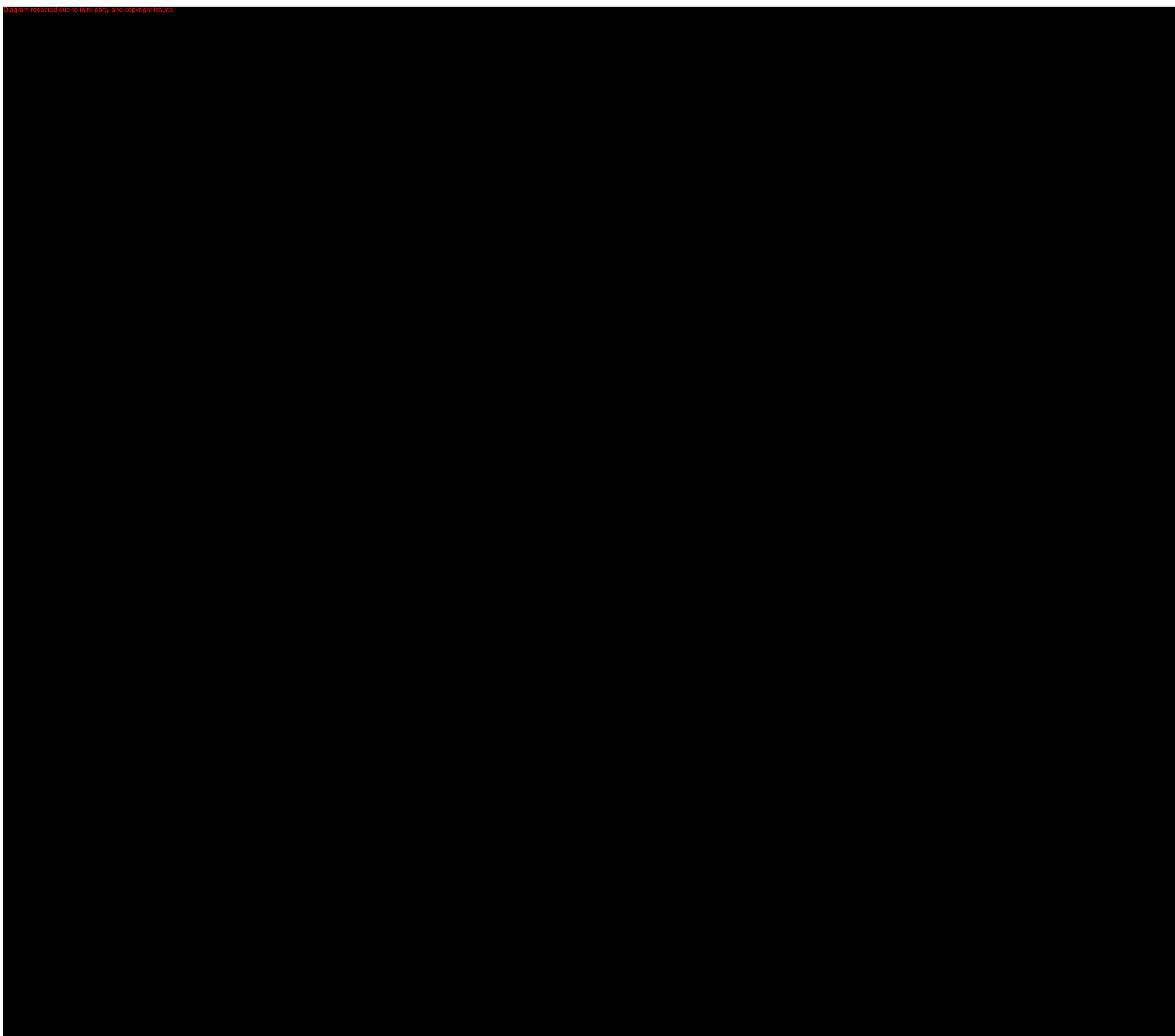


Figure 3

The pricing of a hypothetical unit of production under professionalized conditions.

In Figure 3 we see the results of full professionalization as demand management is added to the supply constraints shown in Figure 2.

Here the market price p is raised by supply closure effects to p_1 and by simultaneous demand manipulation to p_2 . The monopoly rent on each unit sold is pp_2 .

In addition to this demonstration of the price and income implications of the professional form of production, it is necessary to consider the implications of professionalism for the non-monetary economic benefits of practitioners. Much of the statistical and conceptual attack on human capital theory has tended to ignore these. Bowles and Gintis have virtually nothing to say about status. Neither have the Jencks team, though their statistical findings were at variance with the theory of human capital and indeed with the empirical findings of its proponents. (54)

However, as Weber long ago recognized, status is a key variable in societies with a complex division of labour. (55) Since education and occupation are highly correlated, (56) especially in the professions, we have good grounds for thinking that the income effects shown in our figures are matched by comparable status effects, perhaps of an even more significant kind.

It is possible to say "perhaps even more significant" in that status is in logically limited supply. While there is no demonstrable limit to some kinds of capital formation, for example physical capital or human capital in its earnings aspect, status, as we have argued in an earlier chapter, is by definition something which one man can have only in relation to someone else's not having it. Status is distributed in terms of reference groups, in terms of those who have and those who have not. Status has many forms, but of each form it may be confidently stated that

some people must not possess it. Its limited divisibility is its essence, and this is as true of the economic forms of status, what we earlier called "status-capital", as of other versions of status.

VI

Conclusion

Modern capitalist societies involve a complex structure of consensus and power. Professional production exemplifies this mix. The two classic professions -- law and medicine -- involve activities that one can presume will be accorded spontaneous importance anywhere this side of Utopia. In this sense, professionalism is a phenomenon of genuine consensus.

The same is true of other occupational groups such as architecture and accountancy, which for one reason or another are less close to the ideal-typical model of professional production which I have tried to depict. People want decent medical services, the rule of a law held to be just and so on.

Nevertheless the professions are sources of conflict, of unintentionally misinformed elements in consensus, and of the exploitation of consumers and tax-payers, in that their organization latches on to real demands, and engineers interpretations of these, consonant not with the maximization

of consumer welfare and the optimal rational use of resources, but with the interests of professions as privileged groups. In my view, the bourgeoisie proper is a much less appropriate locus for "power" analysis, since bourgeois activity is highly dependent on advertising and typically subject to competition.

Professions are not properly to be interpreted either as the unproblematic executors of functional specialisms indispensable to general societal welfare, or as the subordinate support mechanisms of the bourgeois order. That both approaches are so commonly encountered is a disturbing indictment of the crudity of much social theory.

Of course the professions are not part of a ruling class. (57) They overlap, merge and at times conflict with other voices in the overall structure of decision-making -- with the still formidable, if attenuated forces of bourgeois interest, with the ubiquitous influence of the bureaucratic form of social organization, with the increasingly insistent claims of organized labour. What professionalism illustrates is the significance of the occupational structure in industrial society. This is characteristic of such society, especially in its mature form as we have argued in earlier chapters. In pre-industrial society great power was often possessed by men who were essentially inactive in relation to the source of that power. They held property, especially land, which was managed by functionaries.

Lawyers were significant in the management of this land, but in a secondary and supportive way. In early modern England, for example, the law was often an occupation for younger sons who inherited no land.⁽⁵⁸⁾ Neither was the level of demand for their services always sufficient to employ the supply of labour available.⁽⁵⁹⁾

Medicine was even more secondary. Most people did not receive the ministrations of doctors who, as a group, were dependent on the patronage of the rich.⁽⁶⁰⁾ Similar considerations apply in the case of architecture. In a central way then, the history of professionalism in industrial society involves a massive widening and deepening of professional activities societally. Today everyone enters the legal and medical orbits.

In modern society those high in the structure of decision-making are active in relation to that structure. The rentier yields to the active capitalist or even to the manager. Political positions cease to be sinecures. Above all, the senior reaches of the occupational structure become influential in their own right. In particular they tend to gain considerable control of the state apparatus. This fortifies them. Johnson rather misses this important consideration. While he stresses that occupational eminence is not enough in itself to confer what he rather crudely terms "dominant power", he does not notice sufficiently that state interventions work typically for rather than against professional practitioners.⁽⁶¹⁾ Johnson's claim

that professionals are upper middle class because they come from upper middle-class families, is inherently implausible.⁽⁶²⁾ Logically, the connection is the other way round. It is largely in virtue of their occupation that professionals occupy their class position. Johnson's position is merely the opposite error to the Registrar General's. The latter wishes to list social classes in terms of purely descriptive occupational strata. Johnson wishes, more usefully, to employ class as an analytic concept relating to what Marxists call the "power-structure", but we have preferred to call the "structure of decision-making", recognizing that power is not the only, or even the main element in such decision-making, under the conditions of advanced capitalism. However, it is surely as barren to minimize the occupational dimension of social hierarchy as to assert that it has only an occupational dimension. I would draw the reader's attention to the argument of an earlier chapter where I recognized the cogency of Talcott Parsons' notion of power as a non-zero sum game, that is to say as a question of autonomous decision-making in which one man's behaviour does not interfere with the discretionary behaviour of others.⁽⁶³⁾ I recognized the cogency of this conceptualization in the belief that much of the behaviour of people in advanced capitalist society is of this kind; but I nevertheless rejected the use of "power" in this sense, on the purely terminological ground of its likely confusion with "power"

understood in its two Marxist senses, that is as force or manipulation. The central argument of this chapter has been, however, that this second Marxist sense of power (manipulation) is precisely applicable to professionalism which, founded on consensus, proceeds to place on this consensus a mystificatory accretion.

It is not possible to predict the future of the professions with any degree of confidence. Perhaps they will not be able indefinitely to survive the extension of the bureaucratic Leviathan, whether that eventuality implies that the state will come to insist on a greater role in the social definition of production, or alternatively that members of the public may finally tire of mystification, or both.

Till now, the professions have been able to avoid the kind of hostility which organized labour still directs against the bourgeoisie, or which the general public often feels for organized labour. This, however, may prove a temporary respite. First, new generations of professional workers may incline to a more open administration of their activities. Secondly, it is possible that we are already witnessing in advanced capitalist society a growing disenchantment with the "social wage" and an upsurge in the preference for private economic decision-making. Nevertheless at present the professions, an ancient and adaptable occupational type, appear to have assumed a most enduring position in the control of scarce resources, and an assured locus in the structure of social hierarchy. (64)

R E F E R E N C E S

1. A fine historical treatment of the literature as well as an interesting socio-historical conceptualization of the nature and forms of professionalism, is found in Johnson, T. Professions and Power, Macmillan 1972.
2. For a happy exception see Lees, D. S. Economic Consequences of the Professions, I. E. A. 1966
3. Ibid, p.2.
4. Marx, K. and Engels, F. "The Communist Manifesto" in Cohen, C. Communism, Fascism and Democracy, Random House 1972, p.82.
5. Lees, op. cit. p.7.
6. Johnson, op. cit. p.25.
7. Johnson, op. cit. chapter 1. This is a very good survey. Johnson himself takes no such view.
8. O'Toole, R. "Educating the Educators", Open University Course E352, Education, Economy and Politics, Block 6, Reading 1, 1972. This is a shoddy piece of sub-Marxist doggerel. As a sample of its powers of reasoning I note O'Toole's suggestion that "truth

will not suffer merely because an attempt is made to debunk it". The concept of a debunkable truth has the logical status of a square circle.

- , 9. For what seems to me, retrospectively, a jejune treatment of the displacement of the elderly as a significant force in the structure of decision-making, see O'Keeffe, D. J. "Towards a Socio-Economy of Old Age" in Jones, S. (ed.) Liberation of the Elders, The Beth Johnson Foundation 1976, pp.87-100.
10. For example in Great Britain the General Medical Council was set up in 1858 following the Medical Registration Act.
11. Johnson, op. cit. chapter 7.
12. Galbraith, J.K. The New Industrial State, Deutsch 1972. For a definition of the technostructure see p.71.
13. The decades since Max Weber's death seem to have vindicated his notion of "rational-scientific" bureaucracy as the major organizational form of modern society.
14. See Nichols, T. Ownership Control and Ideology, George Allen and Unwin 1970. The treatment here is rather untheoretical.
15. Medicine and law are the province of what Bernstein calls the "old middle class". Bernstein, B. Class, Codes and Control, Routledge and Kegan Paul vol. 3, p.124. Bernstein is not actually very precise about the membership of the old middle class. The

reader is left to infer what is meant by the term.

16. The educational system, as we shall see in our last two chapters, though also dominated by the middle classes, is not professionalized as are medicine and law. In all three sub-systems, however, there are very large labour forces of a highly heterogeneous kind in relation to skill-formation -- ranging from unskilled workers to experts. This is important as we shall see in our chapter on Marxism, since Marxists often claim that "human capital" is not capital since it does not create employment. We shall argue to the contrary that medicine, law and education all create, protect and employ human capital. They also employ a great deal of labour which is relatively poor in human capital terms, e.g. unskilled porters.
17. Litigation in respect of the violation of patents clearly concerns the protection of physical and intellectual investments, while actions in respect of intellectual plagiarism clearly involve attempts by authors to protect expertise much of which has been formed in the process of human capital accumulation.
18. Thus while I find much that fails to convince in the writings of M. F. D. Young or Pierre Bourdieu, they are undeniably concerned with a long-recognized phenomenon -- the vastly greater educational success that the middle classes enjoy in modern society,

- compared to the working classes. See Young, M.F.D. Knowledge and Control, Collier Macmillan 1971 and Bourdieu, P. and Passeron, J. C. Reproduction in Education, Society and Culture, Sage 1977.
19. Consider the recent, ugly struggles between doctors and lawyers in the United States.
 20. Status, as we saw in our last chapter, has to be regarded as frequently an economic phenomenon, indeed one which must be recognized as such if human capital theory is to remain viable. See Bowen, H. R. Investment and Learning: the Individual and Social Value of American Higher Education, Jossey Bass 1978, pp. 447-8.
 21. Becker, H. S. "The Nature of a Profession" in his Sociological Work, Allen Lane 1971, p.99.
 22. Wiles, P. "The Correlation between Education and Earnings: the External-Test-Not-Content Hypothesis (ETNC)" in Higher Education, vol. 3, no. 1, 1974, pp.43-57.
 23. O'Toole, op. cit.
 24. See, for example, Bourdieu and Passeron, op. cit. p.28.
 25. The reader will appreciate that I am not implying that professionals typically debate these questions.
 26. Many ambitious attempts at econometric analysis of medical activity, for example, are highly dubious, confusing throughputs (numbers passing through the system) with outputs (changes in health states

- effected by treatments). See, for instance, Feldstein, M. S. "Health Sector Planning in Developing Countries" in Economica, May 1970.
- '27. See Leggatt, T. "Teaching as a Profession" in Jackson, J. A. Professions and Professionalization, Cambridge University Press 1970, pp. 172-4.
28. A good example is the modern history of tuberculosis, a disease which has been in spontaneous decline since long before the medical advances which delivered delivered its coup de grace. See Pole, J. D. "Mass Radiography -- A Cost-Benefit Approach" in MacLachlan, G. -(ed.) Problems and Progress in Medical Care .
29. In the last decade or so, economists have begun to include technology as a determinant of supply in introductory textbooks on economics. See Lipsey, R. An Introduction to Positive Economics, Weidenfeld and Nicolson 1968, p.95.
30. Galbraith, op. cit. p.71.
31. For a brilliant and unjustly ignored discussion of the cybernetic problem in communist society, see Paloczi-Horvath, G. The Facts Rebel, Secker and Warburg 1964.
32. Bernstein, B. Class Codes and Control, Routledge and Kegan Paul 1977, vol. 3, p.89.

33. Eckstein, H. "The Politics of the British Medical Association" in Rose, R. (ed.) Studies in British Politics, Macmillan 1967.
34. The attempts by some elements of organized labour to achieve the closed shop are more dangerous only because, being more general, they would if successful destroy the free labour market. They are not in principle any more offensive than professionalism. Indeed professionalism has destroyed the free market in important areas of economic activity.
35. Pelling, H. A History of British Trade Unionism, Macmillan 1963, chapters 6 and 7.
36. Leggatt in Jackson, op. cit. pp. 155-6.
37. Consider the popular resentment in Great Britain of union restrictive practices. Equivalent practices by professionals raise scarcely a murmur.
38. Income elasticity of demand measures the extent to which individuals' or societies' demands for certain goods vary with their incomes. Where demand is income elastic a rise or fall in income will produce a related rise or fall in demand for the good in question. The more income inelastic is demand, the less will there be changes in demand in relation to changes in income.
39. If demand for professional services were very sensitive to price changes, consumers might, faced with rising prices, switch to other goods, or even

withhold demand completely. In the event it may be claimed that professionalism may be fortified by public sectoral activity which reduces the visibility of prices.

40. Andreski, S. Social Sciences as Sorcery, Deutsch 1972, p. 14.
41. I do not know the literature on the professions under socialism, or indeed whether there even is one. A priori it seems likely that the Leviathan socialist state will not allow any group to challenge its supremacy, whereas in capitalist society the professional groups which dominate the medical and legal systems are the beneficiaries of the Western tradition of institutional competence and autonomy.
42. Lees, op. cit. p.7.
43. Leggatt in Jackson, op. cit. p. 157 and pp. 174-5.
44. Johnson, op. cit. pp. 70-4.
45. I mean, of course, within the market for their own considerable outputs.
46. Lees, op. cit. pp. 7-17.
47. Durkheim advances some very large claims for the moral functions of the professions in society.
Durkheim, E. Professional Ethics and Civil Morals, Routledge and Kegan Paul 1957.

48. Though non-advertising is a sine qua non of professionalism as commonly understood, and of the ideal-type I have presented, it is not in fact ubiquitous. See Lees, op. cit. p. 27.
- 49.. Lees, op. cit. pp. 31-2.
50. As Lees points out, several countries have more rationalized systems of conveyancing. These are significantly cheaper. Ibid, p.42.
51. Schumpeter, J. Capitalism, Socialism and Democracy George Allen and Unwin, 1961. see especially Chapter 7-"The Process of Creative Destruction."
52. Ibid, p. 84
53. This point needs to be treated with great care. It is unambiguously true only of supply manipulation. Since professionalism also involves the augmentation of demand beyond its spontaneous market level, it is actually quite possible that communities end up with more professionals than a free market would engender. This important point has never to my knowledge been noted before.
54. Bowles, S. and Gintis, H. Schooling in Capitalist America, Routledge and Kegan Paul 1976, and Jencks, C. et al (eds.) Inequality, Allen Lane 1973, chapter 7. Psacharopoulos and Wiles argue that the Jencks findings turn on faulty methodology and that the generally observed relation between education and earnings in fact holds. Bowen argues

that the status and other non-monetary returns to human investment anyway vindicate the human capital paradigm. See Psacharopoulos, G. and Wiles, P. "Early Education, Ability and Earnings Capacity", L. S. E. mimeo, p.1, and see also Bowen, op. cit.

55. Weber, M. "Class, Status, Party" in Essays in Sociology, Oxford University Press 1946, pp. 180-95.
56. Jencks, op. cit. chapter 6.
57. However, they are one of the reasons it is difficult to represent the bourgeoisie proper as a ruling class.
58. Tawney, R. H. "The Rise of the Gentry, 1558-1640" in Carus-Wilson, E. (ed.) Essays in Economic History, Edward Arnold 1963, vol. 1, p. 174.
59. Curtis, M. H. "The Alienated Intellectuals of Early Stuart England" in Past and Present 1962.
60. Johnson, op. cit. pp. 65-6. Johnson seems to me to underestimate rather, the extent to which professionals preserve their authority even under patronage.
61. Ibid, p. 80.
62. Ibid, p. 43.
63. Parsons, T. "On the Concept of Political Power" in Bendix, R. and Lipset, S. M. (eds.) Class, Status and Power, Routledge and Kegan Paul 1970, pp.240-265.

64. See the leader "State of the Professions" in The Times, 5th January 1980, p. 13.

The leader points out how secure the legal and medical professions now seem, despite their relative loss of earnings in the 1970's compared to other groups. For example, the Royal Commission on Legal Services recommended strengthening of the near-monopoly of conveyancing enjoyed by solicitors.

P A R T T W O

HELL-SMOKE AND IDEOLOGY: HUMAN CAPITAL AND
THE MARXIST CHALLENGE TO THE LIBERAL ORDER

Come, thick night,
And pall thee in the dunnest smoke of hell,
That my keen knife see not the wound it makes,
Nor heaven peep through the blanket of the dark
To cry, 'Hold, hold.'

Shakespeare, Macbeth

CHAPTER FIVE

MARXISM AND HUMAN CAPITAL

Great Wits are sure to Madness near alli'd
And thin Partitions do their Bounds divide;

Dryden: Absalom and Achitophel

In the earlier chapters of this thesis, I have offered an interpretation of modern capitalist society which has been strongly, but only implicitly, hostile to Marxism. It is time now to make explicit the basis of such intellectual hostility. What follows is in fact deeply critical of Marxist approaches. Obviously it does not seek to offer a comprehensive survey or detailed exegesis. This has been done by such outstanding scholars as Aron, Plamenatz, Popper, Kolakowski (1) and many others. Rather, this chapter will seek to offer a critique of Marxism mainly from one viewpoint: that of the sociology of human capital.

We have sought to establish the view that modern capitalism is rendered more comprehensible sociologically through the insights of human capital theory. We have also repeatedly stressed that modern capitalism tends to be associated with that open society which Sir Karl Popper and many other writers have so passionately defended, (2) a society whose open character depends on free and rational discussion of socio-economic, political and scientific issues. However, it is also the case, one might argue, that capitalism may fall victim to that very spirit of continuous critical evaluation which is its lifeblood. This is not to say that the system cannot equally be marred

by complacency. Wiles observes that a relatively unsophisticated self-satisfaction was for long the bane of American society.⁽³⁾ Nevertheless, in principle we may argue that without endless probing, self-doubt and criticism, men cannot achieve a more rational society, cannot free themselves from obscurantism and prejudice, cannot overcome the scarcities of nature or the folly of human arrangements. On the economic level, a continuous reappraisal of resource use is clearly a condition of a rational allocation of resources.

The danger is that partial views of our deficiencies and shortcomings can be unhelpfully generalized. The evils of society are often manifest, its good interred by well-meant criticism. Modern capitalism has shattered hitherto obdurately dichotomous patterns of social stratification, and has partly overcome the intractable scarcity of which human endeavour has always hitherto so easily fallen foul. Now, at the very moment when we have rolled back the margin of scarcity, and achieved levels of productive power and inventiveness our ancestors never dreamed of, the voices of self-doubt and critical self-awareness have multiplied. Surely our affluence and security cannot be put down to our own efforts and imagination! There must be a villain of the piece. Either the bourgeoisie are exploiting the proletariat, or the rich world is exploiting the poor. Obviously there are many "Marxisms", and any critique stands in danger of erecting a stylized caricature. What is

clear is that there exists a large number of intellectuals and militant trades unionists for whom our institutions are moribund, our economy predatory, our society corrupt, and our civilization doomed. It is among such men and women that Marxism has its hold.

Central to the intellectual disposition of Marxist intellectuals is the notion of "exploitation". I shall not be addressing in detail the massive attempt by Marx to give this concept a scientific basis. The task of criticising this effort has been completed by some very eminent writers. I need say no more here than that Marxist notions of exploitation involve the proposition that there is only one capital, and that is its confrontation, under class ownership, with social actors possessing only their labour power for sale, that leads to exploitation, by depriving the working class of control over their surplus value creation.

We repeat that there are many capitals, and that the ability to make capital choices and decisions is widespread where men have been socialized into the market code. It seems impossible to give exploitation a scientific status. Most of the world's poor are not so much exploited as insufficiently involved in economic activity. Exploitation seems appropriate as a term only for deliberate attempts to deprive people of the fruits of their labour, e.g. in South Africa today.

The spirit of criticism, vital to a capitalisteconomy, can become distorted, and appendaged to false and murderous

ideologies. The only revolutionary movement ever to succeed in a highly industrialized society, German National Socialism, is a monument to the dangers which attend a false diagnosis of present ills.

According to Raymond Aron, Marxist theory is now almost bankrupt in terms of its explanatory power.⁽⁴⁾ Nevertheless it remains immensely attractive in the Western world, especially among sociologists. Let us outline, in summary form, the kind of rebuke which human capital theory can offer Marxism. At this point we need do no more than recap on earlier chapters.

Human capital theory is a multi-pronged weapon in the critique of Marxism. It rebukes the Marxist approach to social class, for it helps to explain the non-revolutionary character of the proletariat.⁽⁵⁾ It offers a model of consensual economic inter-action vastly more persuasive than the intractable conflicts of Marxism. It gainsays the centripetal perspective of neo-Marxism, which views the capitalist economy as fundamentally centralising economic power, positing against it a decentralized model of social control and economic decision-making. It puts in the place of the grotesque puppets of Marxian mythology, helplessly swinging on the strings of private ownership, real men who perceive their own interests. Human capital formation, whether social or private, is inevitably centrifugal with regard to economic resources, since it is invested inalienably in individual men. Outside a slave economy one man cannot

possess another.

Perhaps human capital theory may eventually be eclipsed by, or absorbed in, wider theories of human decision-making, as Blaug suggests. (6) Nevertheless we hope that all the points made against Marxism above have emerged from earlier chapters, or will be reinforced in this one. In many cases, we believe that human capital theory has much to offer which is highly illuminating.

However, before we attempt to bring the insights of human capital theory to bear on the inadequacies of Marxism, it is only fair to recall that modern neo-Marxists have also been hostile to human capital theory. We must therefore address those things which they have had to say.

There is by now a well-established tradition of employing Marxist arguments in the critique of human capital theory. Such theory is held to be both abstracted and reified, that is to say it is thought to be a-social and a-historical. (7) Indeed, the very concept "human capital" has been challenged. The term involves, say some critics, a false analogy. Investment in men does not lead to their gaining "power" over their fellows. Specifically, it does not create employment. The human capitalist is not an employer. (8) Human capital theory, as a development of neo-classical economics, is also held to fall victim to certain theoretical shortcomings in the latter. (9) It has also been charged, though not only by Marxists, with resting on incorrect statistical data. This was the view of

Jencks and his co-authors (including the leading American Marxist, Herbert Gintis) in their massive Inequality. (10)

Finally, and here the critique involves a shameless argumentum ad hominem, human capital theory is indicted as an example of bourgeois ideology. (11)

None of these charges seems sustainable. Any economist worth his salt knows that human capital theory is in some degree a socio-historical construct. It makes no sense outside an exchange economy, and indeed not much sense unless that exchange economy has a developed labour market. In other words both the theory and the phenomena it seeks to explain are in the main products of industrialization. That we do not keep saying this does not mean we do not know it. Neither do we require Marxists to keep repeating this of their own perspectives, though it is equally true of theirs. Marxism is a theory predicated on the evils of the division of labour and the "commodity fetishism" of the money economy. It presupposes the existence of the evils it aims to abolish. It is a theory of socialism, born of capitalism itself.

It is the case that the genesis of human capital theory lies in many decades of neo-classical economics. Some branches of economics, such as neo-classicism, are rather abstracted and socially narrow. To criticize them for this is misplaced. The central body of economic theory is a specialized form of social science which does not pretend to be able to grasp all the social aspects of economic

phenomena. However, as we argued in earlier chapters, the sociological derivations of human capital theory are in fact rich and various. Interpreted in a sociological way, human capital theory is an admirable source of insight into social stratification, and the structure of social control. Furthermore, though the concept "human capital" is no more definitive than earlier notions of capital in explaining the etiology of industrialization, since it cannot explain why increased levels of capital formation were evoked in the first place, any account of the British Industrial Revolution which ignored the role of human capital formation as an historically original form of skill formation, would surely seem somewhat lacking.

Furthermore human capital theory does not fall down in terms of the non-employment yielding character of human capital formation, nor in terms of the non-discretion over the deployment of human capital by its beneficiaries as compared with orthodox capital. I would answer such charges quite simply. First, it is simply not true that human capital formation is not a source of employment. The creation, maintenance, protection and mobilization of human capital, constitute a vast source of employment, involving labour at every level of modern social hierarchy. The instructional system is analogous to a vast producer goods system, the medical system to a vast service and maintenance industry. In the instructional system skill formation is a prime function; the maintenance of skill is at least an

important latent function of medicine; and the mobilization of skill formation is a latent function of transport systems and a manifest function of employment agencies and labour exchanges. All these functions generate employment.

Moreover there are clearly many occupational groups who seek to combine for purposes of enhancing their earnings and status, in ways which involve attempts to protect and even privatize human capital formation. We have seen that this is a fortiori the case with the professions. Clearly there is a difference between employment generated by the creation, maintenance and mobilization of human capital on the one hand, and on the other hand, employment created by a man or group of men actually putting human capital to work. However, many occupational groups, who are rich in human capital formation,⁽¹²⁾ for example the professions, do themselves generate employment. A doctor employing a secretary, or a receptionist, is precisely comparable to a factory owner employing labour. In both cases it is the existence of a capital which creates employment, and the examples of such employment generated by human capital are legion.

None of this of course makes any difference if the skill formations involved are not rationalized, that is, deliberately organized in terms of outlay and return. This is perhaps the central problem with human capital theory, and we shall address it later.⁽¹³⁾ It is not, however, the question which we are addressing. The charge is,

au fond, that human "capital" is not capital, because it does not create discretionary powers of resource use and employment in its beneficiaries. We repeat that this is 'simply not true.

The charge that human capital theory is a-social it is the whole burden of this thesis to refute. It is true only in the sense that is also true of monetarism or Keynesian theory. By this I mean that in themselves Keynesianism, monetarism and human capital theory, are economic theories, not sociological theories. Chiding such theories for not being sociological is like rebuking water for not being wine. In any case their original economic character does not mean we cannot attempt to derive sociological implications from them. The huge advantage enjoyed by Marxism over its nineteenth-century rivals is precisely that it is an economic sociology. Marxism is fundamentally an economics, an economics, however, with the sociological derivations spelt out. Marxism is the socio-economy of private physical capital. Human capital theory, already more successful than Marxism in its economic treatment of labour, promises to eclipse Marxism by its wider sociological perspective. In my view the integration of certain forms of modern economic and social theory is not merely possible: it is also desirable and perhaps inevitable. The mutual frigidity of the two subjects is not desirable, and probably not sustainable in the long run. Human capital theory, identified by George Psacharopoulos as the outstanding

intellectual innovation of recent decades in economics⁽¹⁴⁾ is a promising area for socio-economic synthesis.

I am not a specialist in economic theory. When I meet the view that neo-classical economics is flawed or passe, I react nevertheless with a certain exasperation. It is noteworthy that the Robinson and Eatwell attack on the concept of price determination through supply and demand,⁽¹⁵⁾ surfaced at the very moment when the Arabs were furnishing the world with an incomparable empirical demonstration of the validity of the supply and demand model. Hahn has stressed the logical robustness of neo-classical theory.⁽¹⁶⁾ Wiles points out that perfect computation -- were such possible -- in a non-market economy, would inevitably involve a simulation of a perfectly competitive market, where marginal social cost equals marginal social utility. If it did not, the computation would simply be wrong.⁽¹⁷⁾

In one of Adam Westoby's attacks on human capital theory, we meet the central charge that human capital theory, as a paradigm version of neo-classicism, suffers from the perpetual sin of neo-classicism -- the omission of class as an explanatory variable.⁽¹⁸⁾ The omission is real enough; but I doubt if it is a deficiency. One might as well chide Marxism for its "failure" to cast light on the oedipus complex. Such failure is not in fact failure at all. What Westoby objects to in neo-classical theory, is its applying supply and demand analysis to the distribution as well as to the production of the social product. One might retort

that this is precisely its strength, a strength fortified by the predictive power of neo-classical approaches. The proposition that earnings will be increased by education, is deducible, a priori, from neo-classical principles, and empirically demonstrable. Marxism, by contrast, has no such successful predictions to its credit.

There is little doubt, in fact, that Marx was not much interested in the distribution of national income. Even in the case of wealth, it was not its distribution that concerned him, but its form of tenure (private property) and its mode of accumulation (surplus value extraction).

The idea that this latter notion is a refutation of competitive labour pricing, confuses macro and micro perspectives. It is true that the population of an economy must produce more than they consume, at least in the long-run. There must be a surplus for depreciation and net investment and so on. One does not actually need Marx's theory of value to recognize the cogency of the concept "surplus" which in any case does nothing to disturb the micro identification of earnings with marginal productivity.⁽¹⁹⁾ In any case, what "class" factors does Westoby want us to intrude into our analysis? The answer is: the pre-emptive, question-begging Marxian categories, where class boils down to systematic relationships (of ownership or non-ownership) to private physical capital.⁽²⁰⁾ This, however, is to conceive the problem the wrong way round. The theory of social class is rambling and inchoate. Is it not far better

to bring to it a highly developed body of economic theory (e.g. human capital theory) than to keep running around in nineteenth-century circles, combining crude notions of property with metaphysical vagaries such as surplus value extraction? Indeed, as we argued in earlier chapters on social theory and on the professions, the way forward for a theory of social class is to jettison the crude dichotomies of nineteenth-century economics and incorporate in their place the insights of modern economics. The resources which go into skill formation in modern economies are vast. Is it really obscurantism to argue that millions of men and women actually weigh up the net benefits of educational, medical, transport, job-search and other activities? Is it naif to assert that skill formation is significant in social stratification? I have personally observed, in the West of Ireland, that peasants make competent cost-benefit calculations in the organisation of their working lives.⁽²¹⁾ The oddity of Marxism is that it wants to restrict quite ordinary powers of calculation of cost and return to the bourgeoisie. This is the basis of Althusser's repressive and ideological apparatuses.⁽²²⁾ There is in Althusser's notion of repressive state apparatuses, the implicit, arrogant view that the masses cannot objectively approve of institutions such as the police, being incapable of genuine reflection on the subject. In the case of "ideological state apparatuses" like education, they are similarly held to be passive and duped. The masses are not

to be credited with any intelligence. This is why Westoby is so contemptuous of human capital theory and its model of "bourgeois", individual action.⁽²³⁾ Underlying most Marxism is a contemptuous dismissal of ordinary people as supine, witless fools.⁽²⁴⁾

Empirically it is worth noting that Freeman's book, The Over-Educated American, relates the earnings of different groups mainly to the elemental forces of supply and demand, in a way wholly consistent with neo-classical theory.⁽²⁵⁾ Neither is the average citizen unaware of these phenomena. It is true that Freeman's work pointed to an over-supply of educated labour, and could thus be construed as inimical to human capital theory; but as has been argued by Bowen, falling money rates of return do not vitiate the human capital paradigm, for the non-monetary returns to certain occupational choices may remain particularly important and attractive.⁽²⁶⁾ Insofar as occupational status may derive from human capital decisions, this point is as significant for sociology as for economics, as we argued in an earlier chapter. Gordon and Williams have shown that there is a widely disseminated educational investment calculus amongst older school-children.⁽²⁷⁾ I would here add that it might be more comprehensively embracing were it not for the relatively high degree of insulation of public education systems from the capitalist labour market. Basil Bernstein has suggested to me that education systems are crude (that is, not sensitive or responsive) allocators of labour to the

occupational structure.⁽²⁸⁾ This, it seems to me, is intimately connected with their generally non-capitalist character, that is to say their direct provision to the public out of taxation. All in all, however, I would argue, neo-classicism has little to be ashamed about, either theoretically or empirically.

The statistical charge against human capital theory is that earnings regressed on education do not yield a correlation particularly more significant than the regression of income on many other independent variables. Let us simply note that George Psacharopoulos (of the human capital persuasion) and Peter Wiles (a non-believer) jointly insist that the correlation holds, and that the Jencks rejection of it turns on faulty methodology.⁽²⁹⁾ Elsewhere Psacharopoulos and Layard have argued that the question is not whether education increases earnings, but why it does.⁽³⁰⁾ Also in his evidence to the Diamond Commission, Layard holds unambiguously that greater school exposure of the individual does enhance his earnings very considerably.⁽³¹⁾

However, it is the charge of intellectual prostitution which is the most forceful one levelled at human capital theory. Let us address it separately.

Human Capital as Ideology.

The concept "ideology" is understood in this work in its central Marxist sense of a body of ideas which serve the

interests of a social class. As Plamenatz points out, these ideas may either uphold or challenge the existing order.⁽³²⁾ In one sense the charge that human capital

theory is the ideology of a corrupt bourgeois class should not surprise us. Frightened orthodoxies are notable for their shrill notes and a frightened orthodoxy is what, fundamentally, modern neo-Marxism actually is. It is a sociology with its roots in crude nineteenth-century economics, where labour and capital are held to be such distinct categories that, like East and West, the twain shall never meet. From earlier hints that this dichotomy is not viable,⁽³³⁾ we have now been given coherent intellectual works indicating that calculi of cost and return surround the deployment of labour itself.⁽³⁴⁾ Individual citizens make capital decisions about their own productivities. No wonder that Marxists react with such hostility. This philosophy of man as active, negotiating, calculating, in some degree manager of his own socio-economic world, is so much at variance with the Marxist view, where save for true believers, men are ignorant, helpless pawns in a system of exploitation.

Marxism gets itself into a paradoxical bind over labour prices. On the one hand Marxists want to assert that only labour is productive; while on the other hand they must needs reject the most promising tool yet devised for analyzing variations in labour productivity. Human capital theory must be rejected, because it breaches the central Marxist assertion as to the structural discreteness of

labour and capital.

The Marxist position is inherently contradictory. While it insists as relentlessly as neo-classical economics that the maximization of profits is the motive force of private business, it nevertheless posits an insensitivity on the part of capitalist enterprise to significant variations in productivity and efficiency. If it is agreed that the drive is for profit, it may fairly be asked for what reasons different combinations of factor-input obtain in production. For it cannot be claimed that all combinations are associated with similar profitability. If some labour is more productive than other labour, how can a theory purporting to explain at least part of such variation be dismissed as mere ideology?

In neo-Marxist writings on ideology there is the deepest confusion. At one level this consists in a failure to recognize the speculative, and indeed one might say entirely hypothetical, nature of the neo-Marxist ideology itself. The real enemy of neo-Marxism is hierarchy. This is true of such variously Marxist writers as Bowles and Gintis, M. F. D. Young, and Nell Keddie.⁽³⁵⁾ Indeed, relatively thinly Marxist writings like those of Young are perhaps especially hostile to hierarchy. There is running through Young's work an unspoken counterfactual to the effect that hierarchy is unjustifiable and dispensable.⁽³⁶⁾ In the essay by Henderson we meet the absurd sociologism that what counts as "intelligence" is merely a middle-class

conceptual imposition arising from the occupational structure of the nineteenth century.⁽³⁷⁾ This particular paper seems to me an especially strident case of anti-hierarchical ideology. Now human capital theory is an attempt to explain, however incompletely, the hierarchy of the distribution of income. It was therefore bound to attract the label "ideology" from an anti-hierarchical thesis, postulating that all hierarchies among men are undesirable and unnecessary, a kind of redundant vileness, like starvation or oppression.

The objection to hierarchy is nevertheless itself an ideology. If ideology consists in ideas which serve the interest of some group or class, then surely the notion of a non-hierarchical society is also ideological. If a majority of citizens desire hierarchy of one kind or another, then a quest for the abolition of hierarchy is part of the ideology of a minority who reject the majority view, and would seek to impose their own non-hierarchical society on the rest of us. In this case we may say that their ideas on hierarchy and equality minister to their personal psychic interest.

Marxist writings on ideology are various. Some would attribute a non-ideological character to the doctrines of revolutionary socialism. These approximate to "knowledge" (that is, ideas drained of their ideological content) as they cut through the surface of present arrangements and uncover the true interests of society, that is to say that

pattern of social affairs to which all men would accede if they understood the world. (38) The Platonic and Rousseauesque character of this conception is obvious enough, as is its dangerous Olympian arrogance. Other Marxist influenced writing, for example that of Bourdieu, seems to admit of no such possibility. (39) Althusser, on the other hand, regards ideology as a permanent feature of social life -- a position with which the present writer is inclined to agree. (40)

In general I hold that many of the charges of ideology brought against this or that branch of social science, come from quarters whose own ideological position is not recognized. It is a case of Freudian projection, that is, attributing to others faults one possesses oneself. And in the case of the neo-Marxist dismissal as ideology, of human capital theory, I would claim that however "ideological" the latter may be, it has greater predictive force than Marxism. As I have remarked elsewhere, the long book on American education by Bowles and Gintis does not develop a specifically Marxist predictive theory of the distribution of income. (41) Their outline of the hierarchy of income distribution in the United States is descriptive and could effortlessly have been written by a non-Marxist. Indeed Marxism is in general not very powerful predictively. This is a characteristic it shares with most branches of sociology, and which distinguishes it from many branches of economic theory, including supply and demand analysis. Nor is it only the long-range

predictions of Marxism that have gone astray. One such prediction concerned the increasing polarization of society between bourgeoisie and proletariat. We have argued that human capital theory is a cogent tool for showing up the wrongness of this prediction.⁽⁴²⁾ However it is also the case that Marxism is not very fertile in "cross-sectional prediction": for example, it cannot explain the pattern of incomes, either collective or individual.

The gravest demerit of the Marxist assault on human capital theory (as ideology) is the assumption that the substantive contents of an ideology must be false or not worth examining, simply because it is an ideology. Adam Westoby's first insulting and intemperate attack on Mark Blaug, for example, has little to say on the explanatory value of human capital theory. It is almost pure argumentum ad hominem.⁽⁴³⁾

Now let us accept with Blaug,⁽⁴⁴⁾ as Psacharopoulos and Wiles assert,⁽⁴⁵⁾ pace Jencks,⁽⁴⁶⁾ that we still must, that in all societies for which we have data, on average, income correlates positively with education. Human capital theory is an attempt to explain this phenomenon.

The point that seems to get missed is that it is perfectly possible for a theory to be simultaneously both a good explanation of a certain reality and an ideological justification of that reality. It is perfectly possible for a man's higher than average earnings to reflect his scarcity, at the same time as he believes this to be the case,

and believes that this should be the case. There is no inevitable tension between "knowledge" and "ideology". The proposition that education enhances earnings may pertain to both worlds. An educated man does have an interest in preventing the accession of a government which seeks to alter the distribution of income along lines in which scarcity does not much figure. As the late John Plamenatz pointed out: "it is not clear why class ideology.....need have anything of illusion or false consciousness about it.... Masters and slaves might have some beliefs about slavery in common, and others peculiar to their class, and yet all the beliefs be true." (47) In similar vein Martin Seliger observes: "not all that is placed within an ideological context is false, non-factual, slanted or mendacious." (48)

In fact in neo-Marxist writings on labour-prices we find two positions which are not easily reconciled. There is first the view that a capitalist economy in fact "works" pretty much along the lines of text-book economic theory, and that this is not a desirable state of affairs. This is the view one finds in Herbert Gintis' piece on Ivan Illich. (49) According to this view, which accepts the primacy of market factors in the determination of prices, the higher earnings of the better educated citizen may well reflect his scarcity. Gintis does not actually address the issue in terms of human capital theory, but his model of the workings of a capitalist economy is pure neo-classicism in some respects.

The other position, also embraced by some non-Marxists, is that the distribution of earnings is not governed by market forces, but by "power relations". (50) According to such a view, human capital theory must indeed be the ideology of those standing high in the power and income hierarchies. This is the implicit notion behind Schooling in Capitalist America. (51) Though Bowles and Gintis do not address the question of human capital theory at length in this particular book, their thesis that the process of certification is both the linking device between the hierarchies of schooling and capitalism, and the source of ideological justification for the status quo, is evidently in similar vein to Westoby's charge that human capital theory is ideological. We may thus turn to the core of the debate, to one side of which human capital theory merely adds a gloss of explanation (or ideological justification): what are the essential determinants of the hierarchy of income under capitalism?

The debate would be enlivened if the ideal-typical character of the two models implicitly involved in it were more clearly spelled out. We may conveniently label these two models the "Rational Economy Model" and the "Power Relations Model".

The Rational Economy Model

Here the economy is seen as a "rational" price system, highly sensitive to variations in scarcity. The price of any good or factor of production is determined by the intersection of the supply schedule of that good or factor with the demand schedule for that good or factor.

The model involves profit maximising man, utility maximising man, a perfect distribution of knowledge, and a perfectly flexible system of resource allocation. Now, if these assumptions are seen as corresponding to a real world, we are clearly faced with an unacceptable hypostasis. No economy is, or has ever been, like this model, though it is worth noting that Blaug (52) and Brittan (53) have suggested that in principle a socialist economy could approach it closer than any other, since the state could attenuate the rigidities caused by concentrations of market power and by other imperfections, whether in the case of goods or factors of production. This qualification, however, convincing or not, involves the inclusion of a sociological element in the model, since it invokes the concept "state power", which is more a sociological than an economic notion.

In the real capitalist world we find monopolies, restrictive practices, huge public sectors, government interference, incomes policies, sluggish mechanisms of resource allocation, professionalism, racial, sexual and age prejudice, and many other factors which prevent wages

from perfectly reflecting real labour scarcities. All too often, as Blaug regretfully points out, returns to factors of production are simply not equalized at the margin.⁽⁵⁴⁾

Must we therefore let out the conceptual baby with the empirical bathwater? I would argue, to the contrary, that we should accede, by way of a pis aller, to the Friedmanite view that it is not the assumptions of a theory which count, but the validity of its predictions. In Freeman's book, The Over-Educated American, we find a strong corroboration of the view that the pattern of earnings of many occupational groups is indeed powerfully influenced by supply and demand, though Freeman does not address the philosophical issue as to the implications of this, either for neo-classical economics in general, or for human capital theory in particular.⁽⁵⁵⁾

A majority of economists are persuaded of the validity of human capital theory in the partial explanation of income. Schooling is one element, probably the biggest, though not at all a massive element, in the generation of personal income. Naturally the theorist of human capital should attempt to speak from strength. Psacharopoulos and Layard claim that human capital, defined for their purpose as that formed by schooling and on-the-job training, explains about a third of earnings inequality in Great Britain -- almost exactly the same as in the United States. This is actually highly significant, and a strong prima facie justification of the human capital paradigm.⁽⁵⁶⁾ Other forms of human

capital formation also have their part to play, such as health treatments, migration, job search, information retrieval and so on. In turn, all human capital formation constitutes only a part of the determination of labour prices through supply and demand, the supply of labour also involving non-economic, that is, cultural and genetic elements which also shape its employable character. Finally, few economists would deny the influence in the pattern of labour prices, of the conventions and rigidities which prevent what I have called the ideal type of the "rational economy" being a faithful representation of economic reality. However so far the largest single element which econometricians have succeeded in identifying as an independent variable in the generation of income, is years of schooling. This suggests that a prime function of education is indeed skill formation, though clearly I am aware that there is a considerable literature arguing that the connection between school and income concerns affective socialization or screening rather than knowledge or skill accumulation. What further inclines me to the notion that skill formation, not affective processing, is the true raison d'être is my relative disbelief in the power of schooling to produce particular personality types. This is a position I shall return to in my discussion of education.

One difficulty in our way, we repeat, is that in advanced economies, primary and secondary education and to some extent tertiary education. are not capitalistically

organized. This has a number of outcomes relevant to our discussion here:

- (a) It affects the distribution of educational costs. For example, upper secondary and tertiary curricular biographies may be different from what they would be had students to finance their own education.
- (b) It weakens the ability of employers to demand particular curricula in schools. The direct provision of schooling out of public taxation enhances the curricular discretion of teachers and students.
- (c) As a consequence of (a) and (b) we encounter the notoriously bad "fit" between the contents of curricular biographies on the one hand and the contents of occupations on the other.

In the light of these considerations it may be argued that in fact it is remarkable not how little the market asserts itself in the generation of income, but how much. Despite the relatively strong insulation (in Bernstein's term "strong classification") between the education system and the wider labour market and economy, the incorrigible forces of supply and demand nevertheless assert themselves.

The Power Relations Model

This model of the determination of prices is much less developed than the ideal type of the rational economy.

It is also not closely articulated with any formal economic theory, for though it is found mainly in neo-Marxist writings, it seems to me to bear no indispensable connection with Marxist economic theory. For example, it does not derive from the theory of surplus value extraction. In fact, the model is a sociological rather than an economic one.

According to this model the industrial economy is essentially a power structure. In capitalist society this power structure is based upon the ownership/control of private capital.⁽⁵⁷⁾ Under socialism it is alleged a similar hierarchy results from elite control of state capital.⁽⁵⁸⁾ (Hence such society is often termed "state capitalist".⁽⁵⁹⁾)

According to this model the higher earnings of some citizens reflect not their scarcity/productivity, but their situation in the power hierarchy. The longest, though still only implicit, example of the model, is in Bowles' and Gintis' Schooling in Capitalist America. Here the authors effectively break the theoretical link between productivity and earnings by offering a model of the connection between schooling and hierarchy almost exclusively in terms of affective socialization; in other words, in terms of the differential attachment of the school population, not to a hierarchy of scarcity but to one of power. Power, not

scarcity, is the basis of income. (60) On such a view human capital theory can only be an ideology of legitimation. Bowles and Gintis deny the standard association between earnings and scarcity in arguing that one function of the "capitalist" education system is to ensure that labour is "productive but not scarce". (61)

Theoretically the power relations model is thin. It has little predictive power. Furthermore its theoretical roots are also shallow. It can be squared with the Marxian conception of surplus value extraction; but it cannot be derived from it. Moreover, a world which perfectly embodied the power relations model would, in order to maximise profits, be subject to the same neo-classical constraints which Peter Wiles claims are logically entailed by perfect computation in a planned economy. (62) If prices do not accord with neo-classical theory, profits will not be maximized.

The Bowles and Gintis book is actually remarkably unsophisticated in terms of an analysis of labour prices. Nevertheless we may reasonably assume that such accomplished scholars would respond to the above charges to the effect that no actual economy must be confused with the ideal type used to conceptualize or typologize it. The maximization of profit is a tendential, not an ubiquitous aspect of the system.

To this we must retort that insofar as there is tendential orientation to profit maximization, so also there must be a behaviour of prices approaching the neo-classical paradigm. The further prices are away from the paradigm, the less will profits be maximized and vice versa.

In reality all industrial economies, capitalist or socialist, will come somewhere between market rationality and power relations. The question concerns the relative importance of these. We have argued in earlier chapters that highly developed capitalist economies tend to a high degree of rationalization, and are characterized by powerful integrative consensus. In a subsequent chapter we shall try to develop the proposition that modern socialism is relatively coercive, and does indeed in considerable degree approximate a power relations model. In the final part of this chapter an attempt will be made to weave a critique of Marxism based on human capital theory, into a more general critique. My view is that for all its strengths, Marxism is deficient within its own terms. The added insights of human capital theory, however, bring to the traditional critique some further powerful cutting edge. However, before we proceed to our final section, it behoves us first to hold a discussion of a Marxist thesis which has been very popular among sociologists in recent years: Harry Braverman's contention that advanced capitalism is characterized by the radical de-skilling of the working population. (63)

Braverman and the "De-Skilling Thesis"

Braverman's work does not directly impinge on the debate about human capital theory. Where he does discuss education directly, for example, he relies heavily on Ivan Berg's now

largely abandoned views.⁽⁶⁴⁾ This is a weak part of his book which need not detain us.

The general disposition of the book, however, implies a strong antipathy towards the explanatory ambience of human capital theory. First it is orthodox Marxism, and contains in fact several jejune chapters on Marx's analysis of capitalism.⁽⁶⁵⁾ Secondly, its specific message is that under advanced capitalism, the worker is increasingly alienated, deprived of his skills, and divided from his fellows. Such pessimism is a polar opposite to the general optimism of human capital theory. Thus while Braverman does not address human capital theory intellectually, and indeed there is no formal exclusivity between the de-skilling thesis and human capital theory, they clearly belong to very different universes of general discourse. This remains true despite the fact that, as we shall see, Braverman's thesis can be expressed in neo-classical terms.

Braverman's thesis is ingeniously stated. The vast productive powers of industrialism imply a huge increase in knowledge. This increase in knowledge, however outré the proposition may seem at first blush, has been accompanied by a fall in skill levels as workers' discretionary functions have been increasingly incorporated into machine functions.⁽⁶⁶⁾

The illusion of higher skill levels has two main sources.⁽⁶⁷⁾ The first is the rise in qualifications. This, however, says nothing about job contents. The second is the set of categories used in the statistical analysis of

the labour force. Fundamentally, the name of a job tells one nothing of its skills.

In the 1930's Alba Edwards changed the classification of workers in the U.S.A. The previous classification had been between craftsmen and labourers. Edwards restricted the latter term to non-farm workers who were not craftsmen or machine operatives. Edwards, whose work is the basis of subsequent classification, now backprocessed previous data in the light of his categories. Thus when we find the term "operative" in pre-1930's data, this is because of Edwards. (68)

His work has led to the familiar trio: skilled, semi-skilled, unskilled. (69) The middle term is Edwards' operative. This is obviously an expanding category in an industrialising economy. Association with machinery is misleadingly associated with a massive impression of a fall in the number of unskilled, and a rise in the numbers of semi-skilled. These untenable assumptions have powerfully influenced subsequent work and attitudes.

Braverman devotes many thousands of words to his thesis that both the industrial and clerical work-forces are in fact finding their skills and autonomy progressively reduced. While the text is brilliant, and full of interesting things, I would argue that this central theme is fundamentally flawed.

There is first of all its intuitive unlikeliness. Such an objection hardly merits theoretical weight, but it is not without force. A form of society, rather lightly

policed, not very centralized as a structure of decision-making, characterized by unprecedented living standards, fabulous powers of engineering and environmental mastery, is held by Braverman to be characterized by the concentration of expertise in fewer and fewer hands or alternatively incorporated into machinery itself. I find the proposition intuitively jarring.

Second, while Braverman fastens on processes which are real enough, he overlooks their partial character. Job fragmentation has been a feature of the organization of labour in many occupations under the conditions of advanced industrialism. The motor-car industry is an obvious case. However, under certain conditions of technology and factor endowment, such extreme fragmentation may be the purest rationalization. If greater efficiency could be secured by less fragmentation we could expect some capitalists to break ranks. If this has not widely occurred, we may take it that real productive efficiency is involved, unless one takes it also that there is a central "political" conspiracy at work, of the kind most Marxists would reject.⁽⁷⁰⁾ Some capitalists indeed have broken ranks here, e.g. Volvo. To the extent that they have not, we may argue that the problem is general for industrial society and not distinctly related to private ownership.

The incorporation of skill to machine processes is also real enough. It looms larger now indeed than when Braverman published his book.⁽⁷¹⁾ Once again, it seems likely that the trend is not specific to capitalism. More than this,

to expand on a point we hinted at earlier, both elements in Braverman's version of advanced capitalism -- the incorporation of skill to machinery itself, and a bourgeois preference for employing unskilled labour, can be encapsulated in the standard neo-classical explanation of the search for profit maximization -- namely the substitution, at the margin, of the cheaper for the dearer factor-input.

We repeat that Braverman's charges are partial. Specialization of function does not necessarily imply falling skill levels. Doctors, teachers, lawyers and countless other specialized groups have simply not been "de-skilled". In the case of medicine and nursing, technological innovation may be regarded as an enhancing complement to the practitioner's art, rather than an "incorporation" of it.

In the course of our ordinary lives we are all the beneficiaries of specialized, skilled workers. Doctors, nurses, teachers, hairdressers, electricians, plumbers, plasterers, dentists, bricklayers, carpenters -- but we could go on tediously here. One group we could add to the list, is those who drive for their livelihood. They should be separately addressed.

For drivers relate to the third fault of which Braverman can be accused, namely that his partiality combines romantic nostalgia and a determination to find what he wants to see. He bemoans the historical slighting of farming and farm labouring as skilled activities.⁽⁷²⁾ He also compares horses and cars in terms of the skill compared for their

management.⁽⁷³⁾ Knowledge of the former was in earlier days not so much a skill as a near universal cultural heritage. Today this is how driving should be regarded. This is extreme disingenuousness. Driving a car to work or on holiday may perhaps be regarded as a non-significant skill. Urban taxi-driving and the management of heavy vehicles such as trucks and buses, are in no way comparable. Nor are ambulance drivers, police drivers or fire-engine drivers remotely comparable to the ordinary commuting or shopping motorist. What Braverman has done here is to write off the massive skills of a large minority of the citizens of advanced industrial society. For example, only a small proportion of the labour force knows how to manoeuvre heavy articulated lorries. Similarly, Braverman chooses to ignore the massive skills embodied in that group of workers who service and repair our motor-cars.

When Braverman rightly points out how minimal much "training" actually is, and how basic the "skills" attributed to semi-skilled workers actually are, he fails to consider that in earlier periods, craft training may also have been far more extended at times than the complexity of the craft actually warranted.⁽⁷⁴⁾

The fourth major defect I find in Braverman's thesis concerns his sceptical treatment of the actual business of job analysis. While it is true that the economic historian must treat occupational data very cautiously, and a fortiori true that Edwards' categories are very suspect, it is also

true that Braverman does not offer us any very sensitive indices by which we could measure the skill complexity of jobs across the total occupational structure. He perversely ignores the considerable sophistication that has occurred since Alba Edwards' day.⁽⁷⁵⁾ Doubtless the science of job analysis is in its infancy, and will require, for its progress, the integration of the most sophisticated economic, psychological and statistical techniques. What grounds are there for thinking Braverman's work to have achieved the astounding feat of having put job analysis on a secure basis? All he has really done is to highlight the deadly, alienating aspects of much work in the advanced economies, a stultifying industrial parallel surely, to the backbreaking and minimally rewarded toil that was, and is, the normal experience of the pre-industrial serf or peasant.

There is a difference, however, and one which turns on the fifth error I identify in Braverman's work: its traditional Marxist fixation on work, its failure to deal with leisure, with consumption, with social relations which do not pertain to production. We repeat, once again, that modern capitalism is a spending as much as a producing economy. Modern capitalism has at least vouchsafed many of its citizens whose working lot is alienating and unimaginative production, their partial release through greater longevity, greater leisure, more consumption choices, and so on. Human capital theory is a theory of voluntarism.

Here it stands, four-square, in the mainstream of such traditions as neo-classical economics and Weberian sociology. What I am saying is that the processes of economic decision-making engaged in by the citizenry of modern capitalism, involve a complex of choices as to consuming, saving and investing in skill formation. We conclude this section with the view that for many individuals boring and monotonous work is rewarded by disposable income. In fact, an alienating work situation no more necessarily destroys the insights of human capital theory than enjoyable employment necessarily vindicates them. Braverman has not shown work to be typically de-skilled in our kind of society. However, even those whose work is an alienating experience, may be construed as weighing up the costs and benefits of different choices.

My conclusion, from this brief discussion of the de-skilling thesis, is that Braverman's work must be judged "not proven" and cannot be taken as constituting a strong case for the opposition to human capital theory.

III

With Marx it is true to say simply that there is much in the central vision which is valid. Wealth is a source of class and power; the mode of production does massively influence society's ideational life; and, perhaps above

all, much of that ideational life is ideology, that is to say it serves the interests of particular groups and classes. Hugh Trevor-Roper stresses that such propositions were not original to Marx. His contribution lay in the "ferocious systematization" within which he expressed these ideas.⁽⁷⁶⁾

I prefer Leszek Kolakowski's view that if these ideas are truisms, it is because Marx made them so, and that they would have lodged themselves less securely in our outlooks if Marx had not advanced them in an unacceptably over-stated form.⁽⁷⁷⁾ It is also fair comment that Marx's intellectual achievement is nothing less than astonishing. A wide range of economic, historical, sociological and philosophical reflection and analysis is welded by him into an aesthetically beautiful synthesis.

All the most notable critiques of Marx admit his genius and originality. Popper, Aron, Berlin, Schumpeter, Plamenatz, Blaug, Kolakowski -- all identify Marx as an intellectual giant.⁽⁷⁸⁾

Thus while I believe that Marx was mainly wrong when he wrote, and that subsequent Marxism has proved even more erroneous, and while I also believe that no man's ideas have ever had such direful effects on his fellow men, I can personally have no truck with the view that he is a petit maitre or charlatan.

In fact Marx is generally worse served by his friends than his enemies. This is perhaps not surprising. Epigoni are often withered and inferior compared to their maestro.

At any rate, to read the idolatrous drivel of Althusser⁽⁷⁹⁾ or Sweezy⁽⁸⁰⁾ is to realize that Marxism in its contemporary form is not a scientific phenomenon but a substitute religion. Naturally, this is not to say that some contemporary Marxist work is not of the very highest standard. The two-volume work by Cutler, Hindess, Hirst and Hussain, for example, is in many ways a piece of exemplary scholarship.⁽⁸¹⁾ It refuses mechanical tributes to past genius. Indeed the authors scale down Marxism drastically. Plank by plank, the edifice is prized open and shown wanting. For example the theory of value, so central to Marx's attempt to give a scientific basis to the concept "exploitation", is overturned,⁽⁸²⁾ and the conceptual centre-piece of Marx's motor of history, the "mode of production" and its attendant base/superstructure metaphor, are refuted.⁽⁸³⁾ In an unacknowledged Weberian spirit, the authors attribute to the political and legal realms a character which is virtually sui generis.⁽⁸⁴⁾

It is not that one would disagree with all this. It is simply that one is left with the compelling question: what distinctively "Marxist" residuum can be salvaged from such radical demolition?

Some of the criticisms that a sociology of human capital must address to Marxism have been made apparent already. Marxism is a theory of power. All class societies, that is societies subsequent to primitive communism and prior to industrial communism, have been based on power and coercion,

though social order is actually in some degree secured through false consensus (false consciousness) which is disguised coercion. True consensus can be secured only when the division of labour has been abolished, and when exploitation has been eliminated, that is to say when men gain discretion over the disposition of the surplus value which they create.

We have attempted to show in earlier chapters the falsity of such a view. All societies involve a combination of agreement and force. Marx's view attributes too much significance to coercion in the societies known to him, and too much to consensus in the hypothetical future society. In his life-time the theory of human capital was not available to him, nor were the phenomena on which that theory is based as highly developed as they have since become. Suffice it to recall to the reader our argument that individual economic action both depends on and generates societal consensus, and that this a fortiori is true of those economic decisions which lead to human capital formation, and give to millions of citizens a stake in the capitalist system. In other words human capital formation is highly significant in the unprecedentedly consensual character of liberal capitalist society.

Indeed one is tempted to wonder whether contemporary neo-Marxists might not be advised to shed their reliance on a schema where capital and labour are radically discrete phenomena. If labour is seen as the origin of capital

(crystallized labour-power) why not accept the explanatory force of the concept human capital, and seek to uncover its part in the creation of hierarchy and privilege?

, Bourdieu has not done this, but it would presumably be possible to thread such an insight into his general explanatory fabric. Is there not something odd about arguing on the one hand that labour is the source of capital, and on the other that they have no conceptual affinity? True there is a question as to how far so radically altered a schema should properly be called "Marxist". We might reasonably point out, however, that other branches of neo-Marxism have radically altered the classical schema. For example, neo-Marxist work on development argues that advanced capitalism prevents industrialization in the less developed world,⁽⁸⁵⁾ a view opposite to the classical Marxist view, which is clearly a diffusionist line, e.g. Marx's claim that the advanced economy shows the less advanced what its future aspect will be.⁽⁸⁶⁾

Marxism also attributes an unwarrantable primacy to production as an economic activity, failing to see that consumption is at least as important. Paul Samuelson asserts that the consumer is king.⁽⁸⁷⁾ The Marxist position is that the producer is. The contrast is between the mainstream of economic theory which argues that, given the appropriate institutional context, men are free, and the general disposition of structural sociology, e.g. functionalism and Marxism, to argue that men are not free.

However, it is not merely in the over-emphasis on production that Marxism is at fault. It is also the case that Marxists do not specify production correctly.

'Production is conceived of too narrowly in the Marxist tradition, an error underlying the famous metaphor of base and superstructure. Blaug points out that if labour is more productive with than without capital, then capital must be productive also.⁽⁸⁸⁾ This is also true of law, government and so on. Some of the resources of the economy go into these activities and if a greater flow of goods and services is obtainable from the economy in the presence of these activities than in their absence, it must follow that they are themselves part of the economy.

At the centre of Marxist approaches to production, sits what Wiles identifies as a source of policy error in Soviet society, namely an over-emphasis on accumulation of physical capital in the developmental process.⁽⁸⁹⁾ This over-emphasis in Marxist economics is accompanied by a similar over-emphasis in Marxist sociology. Most Marxist writings on the distribution of knowledge, income, status and so on, take the background to all these to be the private ownership of physical capital, which is the source of power in capitalist society. Althusser, Bowles and Gintis, Miliband and a host of other writers all share this view.⁽⁹⁰⁾ It is a remarkably crude view, and a reverse crudity is also apparent in opposition to Marxism. For Marxists, private property is a source of reaction. For many anti-Marxists,

private property is a source of freedom. The truth is that the treatment of private property by many writers is grotesquely inadequate. Peter Wiles is quite scathing about "Victorian and Marxist" notions of property.⁽⁹¹⁾ Before we precis his already brilliantly terse arguments, let us suggest that data on private wealth have remarkably little to tell us about socio-economic action, about the structure of social control and the balance within it of consensus and coercion. The attempt to relate the objective conditions of society, that is those conditions which are hidden behind the view of reality which most men subjectively hold, to the distinction between property holders and non-holders, is simply to ignore the vast resources which do not go into private capital formation but into publicly owned capital and, more importantly for our thesis, into human capital formation.

Wiles argues that ownership is not "an unambiguous, all-embracing, absolute power to dispose of something....., ownership is a bundle of particular rights."⁽⁹²⁾ Only when sufficient of these rights are united in one person or organization, do we call him/it the owner. No one in society can "do what he likes with his own". For example, he may not commit a crime with it. The ownership bundle includes at least these rights:

- (i) to found, extend, contract or close the business, or in the case of a consumer good, to acquire, consume or destroy it;

- (ii) to take the residual profit of the business
(no one has total control over profits for they are taxed) or enjoy the residual use of the thing;
- (iii) to sell the business, or the right to make profits from it, in whole or in part;
- (iv) to appoint managers or tenants;
- (v) to do what is not specified as the prerogative of someone else, i.e. to possess the residual power;
- (vi) do deal with major crises;
- (vii) to sue and be sued on behalf of the business;
- (viii) to be liable for the business debts in case of bankruptcy.

What Wiles is implicitly driving at is the proposition that concepts like "ownership" and "private capital" cannot be mechanistically associated with "power" as in the Marxist tradition, not, by implication, with "freedom" as in the liberal tradition.

Current decisions on pricing, output and employment are often divorced from ownership.⁽⁹³⁾ Matters of new investment, technique and location are more often reserved, and Wiles argues that if there is a key distinction between private and public ownership it will be found in point (v) in his list: who has the residual power? He might have added that there is a huge and non-definitive literature in the Galbraith, Burnham, Nichols ascendancy here.⁽⁹⁴⁾ I would argue that there is a sleight-of-hand tradition in Marxist writings, of advancing as incontestable truths, propositions

which are actually highly problematic half-truths. I am thinking, for example, of the "wealth is power" arguments of Miliband (95) or Bowles and Gintis. (96) Nowhere in these celebrated books is there any convincing demonstration, either that power is the fundamental element in social control under advanced capitalism, or that such power is logically derivative from private wealth.

My own view is that we can wed such ostensibly odd bedfellows as Galbraith and Gary Becker. The "techno-structure" is a key element in productive decision-making, vastly outstripping any capitalist "class", active or rentier; and at the same time human capital formation is highly significant since the technostucture is the embodiment of specialized human capital formation. (97) The personnel of the technostucture do not control all economic activity. They have only the partial grip which advertising permits on consumption, (98) and they do not control all production. The small firms of modern capitalism are often outside their reach. Neither do they control technology in a centralized or co-ordinated sense. Nevertheless the technostucture is the dominant element in productive decision-making in the corporate sectors of advanced capitalist economies, and as such is immensely significant in the structure of general decision-making. It is precisely decisions on pricing, out-put, employment, investment, technique and location that are involved, though Wiles may be right that private capitalists tend to reserve greater discretion over the items

in the second half of this list (investment, technique and location) than over those in the first.

Of all the central tenets of Marxism, ancient and modern, none is more entrenched than the notion that wealth is power.⁽⁹⁹⁾ That, in a nutshell, is the central argument of Das Kapital, and of most work in the Marxist tradition. This position is wrong about wealth and wrong about power, indeed wrong about power because it is wrong about wealth. The terms of the error are wrong here whichever way we have the sequence. Thus we could also say that the tradition is wrong about wealth because it is wrong about power. True, the rich are often powerful, and the powerful often rich, the world over. But "wealth is power" is not a socio-economic law. There are rich people who are not especially powerful, that is to say they have little coercive or manipulative discretion vis-à-vis social control. There are also powerful people (having coercive or manipulative discretion over others) who are not rich. Millionaire pop singers come into the first category, the leading members of the Chinese communist party into the latter.

A proposition which is sometimes true and sometimes false is not theoretical. The fundamental problem in the Marxist tradition is that wealth, property and capital on the one hand, and power, agreement and control on the other, are inadequately conceptualized.

The Marxian error involves two basic faults: first it analyses an inadequate conception of capital; secondly

it analyses it inadequately. Marxism proceeds as if there were only one kind of capital. Having set up an inadequate version of capital, it then proceeds with an analysis which is unconvincing even within its own terms. What is equally noteworthy is that much of the traditional critique of Marxism suffers from the same fault. Work in the Friedman tradition operates within the same assumptions, merely connecting the variables of wealth and power differently.⁽¹⁰⁰⁾ Milton Friedman's conception of freedom, for example, seems to me to involve "fragmented power". This is inadequate as I shall try to show.

Any theory resting on "power" as a crucial concept is in my view highly suspect. Generally the concept "power" involves the idea of coercion, overt or covert, and in the Marxist tradition, such coercion is seen as the outcome of an objective structure of social relationships such that power-wielders systematically disadvantage those whom they constrain.

Perhaps the clearest formulation of this position is given by Althusser, where he distinguishes what are overt and covert institutions of coercion.⁽¹⁰¹⁾ However, we have sought throughout to establish the view that much, perhaps most, social life in all eras and in all societies, is consensually based. In pre-capitalist formations it is true, there was a central dichotomy between ownership/control of land and non-ownership/control. Under modern socialism a similar gulf exists between party members and the rest.

These dichotomies are not easily accepted by those who are disadvantaged. This is what explains, at least in part, the heavy reliance on coercion in such societies.

This, however, does not mean that consensus is absent from such societies, nor even that it is not the principal element in social control. When we turn our gaze to modern liberal capitalism we find that consensus becomes even more important.

There is in fact little disagreement that there is massive consensus in advanced capitalist society. The question is not whether there is such consensus, but rather what the nature of such consensus consists in. The general Marxist answer is that consensus is "false consciousness", with specific variations such as "misrecognition" (Bourdieu)⁽¹⁰²⁾ and "repressive tolerance" (Marcuse).⁽¹⁰³⁾

Now Stephen Lukes is clearly right that what looks like consensus may be a disguised coercion, a manipulation, a control over the agenda of significant decision-making.⁽¹⁰⁴⁾ Herbert Marcuse could be correct in seeing men as more or less indefinitely malleable in their spending and other decision.⁽¹⁰⁵⁾ Such views, however, depend on the proposition that it is possible to discern beneath the surface of the social world, some objective structure which militates against the interest of the majority.

In fact an examination of the economic structure of modern capitalism reveals no such objective pattern of minority advantage, majority disadvantage. We repeat with

wiles that private capital cannot be translated mechanistically into power.⁽¹⁰⁶⁾ For alongside private property goes human capital formation. Furthermore the sum of all capitals yields only part of the picture of the economic structure. Let us reaffirm that modern capitalism is a spending economy. Thus the structure of consumption is as indispensable an element in the general economic structure of modern capitalism, as capital formation.

To argue that ownership of private property leads to power for owners and to exclusion from power for non-owners is both theoretically and conceptually crude. The theoretical crudity is the assertion of a mechanistic connection between ownership and power. The conceptual crudity concerns the vagueness and lack of precision in the concepts "ownership" and "power" themselves.

Nevertheless the Marxist tradition generally, as in the famous Miliband book, does seek to affirm precisely this connection.⁽¹⁰⁷⁾ Modern capitalist society has a ruling bourgeois class whose power (sic) rests on private ownership of the capital stock. We may rightly ask, however, when did such a picture ever convincingly capture socio-economic reality?

The answer is that perhaps it is historically defensible for the first half of the nineteenth century in Great Britain. There, bourgeoisie and proletariat did confront each other in conditions of stark contrast. The lightly taxed bourgeois, with few legal restrictions on his

organization of production, confronts the proletarian who enjoys little by way of social security, is subject to highly regressive indirect taxation, is allowed no rights of unionization, and whose general behaviour is regulated by a savagely coercive legal system. Ostensibly then, the bourgeois (power) proletarian (powerlessness) distinction, has something to commend it for the early nineteenth century and, as we argued at length in an earlier chapter, for the generally autocratic early capitalist societies of the Third World today.

Only something, however. For the model says nothing, for example, about consumption as an economic activity. It is possible in principle, however difficult evidentially, to conceive of capitalist industrialization as fundamentally connected with changes in consumption patterns. In this case, an increase in capital formation is a response to, rather than an initiator of, general economic change. Furthermore it is not possible to argue that patterns of consumption are controlled by the bourgeoisie under early capitalism. Advertising is simply too rudimentary to allow for such a contention. (108)

Modern capitalist society is characterized by extraordinary rapid changes in the composition of output. Behind these, among other influences, lies the consumer. This abstraction is not one favoured by Marxists, since it suggests discretion and self-command far beyond their view of the general citizenry. For the study of the twentieth-

century consumer, Marxists have been able to speak of consumers as manipulable by advertising and so on. We shall argue below that such positions are not convincing.

For the first half of the nineteenth century the issue does not even arise. Thus a whole dimension of economic life lay outside the "power" of the bourgeoisie. That, however, was not the only limitation on bourgeois hegemony. The nineteenth century is also the period of increasing complexity in the occupational structure, involving the emergence of the professions and other middle-class groups, as well as a host of supervisory proletarian jobs. Bourgeois man is not the only one capable of juggling costs and returns. There is a tendency for such calculation to become increasingly generalized, as we have argued in earlier chapters.

Furthermore, there is the question of the emergence of the modern state. Here again it is interesting to note how Marxists and Friedmanites coincide, the latter merely inverting the arguments of the former. The Marxist tradition is that the state is the agency of the capital, as in the work of Miliband. The Friedman view is that capital, for Friedman, the essence of freedom, can become the prisoner of the state.⁽¹⁰⁹⁾ I do not believe that this is the norm of capitalism, though it is certainly true of the bastard capitalist-socialist formation of fascism.

In liberal capitalist society, the state has served as an agency of social consensus, generally as an adjustor

of conflicts and an obstacle to interest groups or classes seeking arbitrarily to control the pattern of decision-making. The state has legitimated the negotiating rights of labour and sought to contain and define those of capital too. (110)

Neither is the Miliband argument that trades union rights, welfare legislation, the extension of the franchise and rising living standards, can be represented as concessions by the ruling class, even remotely convincing. (111) For even if the Marxist power analysis were convincing, the view that the ruling group is forced to make massive concessions, would presuppose that some of such power has passed to the beneficiaries of such concessions.

We repeat that modern capitalism is testimony to the ability of millions of men and women to make up their own minds. This proposition is justifiable by casual observation. Some of the most outstanding socio-economic phenomena of modern capitalism eloquently attest to it. Huge sums are spent on advertising motor-cars (e.g. the Ford Edsel) and the public refuse to buy. Strenuous publicity campaigns to popularize T.V. programmes, pop stars and film stars frequently fail to come to fruition. The most outstanding modern British popular entertainers, the Beatles, were not in the first massive instance, a manufactured phenomenon. No pressures or initiatives by the "corporate state" ushered in the popularity of modern radical sociology. The vast propaganda exercises of U.S. administration did not suffice

to attach the American people to the cause of the war in Vietnam, and so on.

These examples could be multiplied by the legion. It is simply not the case that the composition of demand and the pattern of opinion are entirely plastic. They are only partly so. Technological change, and change in tastes, are only in part predictable or controllable. The model of the passive, proletarian, alienated and manipulated, the ignorant helpless pawn of capitalist discretion, is the most insulting, condescending, grotesque myth in the whole armoury of radical analysis. No wonder Marxists reject human capital theory. For this theory celebrates the free social actor, free because he has so deeply internalized the principles of the market code, and is thus well able to make decisions about the costs and benefits of his skill formation in the face of uncertainty and imperfect knowledge. Human capital theory has no need for cloudy, counter-factual assumptions about hidden structures of objective interest that the deluded everyman cannot see. It rather builds on what men do, and celebrates their knowing discretion in doing it. The talk of power and of hidden, objective structures of interest in Marxist writings is actually vague. When Nicos Poulantzas claims that economic property, or real appropriation, is the only genuine economic power, we are not left much the wiser.⁽¹¹²⁾ Is the ability of a modern trades union to close a factory or railway or hospital against the wishes of most other people, not a form of

"economic" power? If it is something other than power, must we not conclude that there are forms of coercive discretion other than bourgeois power? Would not such a conclusion suggest that a "bourgeois power" analysis of capitalism is inherently inadequate?

My view is that it would be hard to conceive of any economic structure more "objectively" favourable to citizens than one which expresses the sum of their economic preferences as consumers, savers, investors. Though market economies are profoundly modified by state interventions, advertising and so on, it is at least plausible to argue that their citizenry generally approve their composition of output, and that the citizens of modern socialist societies are given to envious westward glances.

The apparent subjective acceptability of the capitalist order to most citizens, explains the popularity among critics of capitalism, of the concept "false consciousness". This Olympian notion attributes a prescience to the elite that the masses do not have. And what does the objective structure of exploitation consist in? It cannot consist in the creation of surplus value. As Kolakowski points out, all societies must consume less than they produce, and for Marx it is private property which is the basis of exploitation, since it enables one group of men to determine the disposition of surplus value.⁽¹¹³⁾ It is the phenomenon of the private ownership of the capital stock which constitutes the "objective" conditions of capitalist society and its

polarization between those who do, and those who do not, control surplus value.

Here, as in many other ways, many contemporary neo-Marxists have not remained true to the classical canons. Bowles and Gintis admit that for them it is the control, not the ownership,⁽¹¹⁴⁾ of the capital stock which counts, a position taken a fortiori by those who, like Djilas⁽¹¹⁵⁾ or Cliff,⁽¹¹⁶⁾ would bring a soi-disant Marxist analysis to present-day socialist society. At the very least this qualification as to the basis of "power" must raise questions as to the emancipatory effects of the socialization of the capital stock (i.e. the significance of "private property" in the first place).

Marxist scholars are in fact reluctant to debate the implications of modern public ownership either in Marxist or capitalist societies. No one has enunciated the glaring truth more clearly than Raymond Aron: "Between collective ownership of the means of production and a planned economy, on the one hand, and the liberation of man, on the other hand, there is no connexion, either causal or logical."⁽¹¹⁷⁾

Aron also points out that Max Weber was long ago fully aware of this, a point for which, says Aron, Herbert Marcuse found it difficult to forgive him.⁽¹¹⁸⁾ In Kolakowski's book we find a fascinating account of Bakunin's astonishing prescience as the despotic outcomes likely to arise from a Marxist take-over of society.⁽¹¹⁹⁾

However, we have also said that in some respects the

Friedmanite defence of liberal capitalism is not persuasive either. Let us give it now some attention. Its gravest demerit is that like Marxism, it takes power to be the fundamental problem in the sociology of modern capitalism.

We have said that in the case of writings like those of Miliband or Bowles and Gintis, no attempt is made to show the logically necessary basis for "power" in private ownership. The same is true of Aaronovitch.⁽¹²⁰⁾ Aaronovitch actually advances arguments purporting to show that ownership implies power, which make it clear that it is control which matters.⁽¹²¹⁾ Miliband, as we said earlier, trots out arguments about concessions the ruling class have had to make, without apparently seeing that the notion of dominance is reduced by the need to make concessions.⁽¹²²⁾ Nichols attempts to show that owners have not relinquished power to managers,⁽¹²³⁾ but his sample is narrow and he does not address the issue in its crucial context: the huge business corporations of modern capitalism.⁽¹²⁴⁾

In the Friedman tradition, by contrast, though the same variables are identified (property and power) a different connexion is seen between them.⁽¹²⁵⁾ On both sides property-ownership and property-control are confused and, on the assumption that power is the hinge of social control, mechanistic connections are drawn between property and power. For the Marxists, property concentrates power; for the liberal/conservative it diffuses it. Neither side takes account of the importance of the occupational structure

(the principal embodiment of human capital formation) in social control.

Milton Friedman is a most distinguished economist. His embryonic sociology, however, is crude. Like Marxism, it is a power sociology, accepting a determinate relationship between property and the social order.

There is obviously a clear empirical sense in which Friedman is persuasive. No non-capitalist society has ever allowed its citizens the intellectual, political and other freedoms associated with modern liberal capitalism. Sociologically, we repeat, the condition of such freedom is an effective socialization of the masses. This socialization can be represented as the alienation of social consciousness, only through a series of tenuous arguments about the objective structure of economic interests, and a determined refusal to study the effects of the large-scale abolition of private property in the socialist world.

The drawback in Friedman's argument is that he takes as a consequence of capitalism, what is in truth a cause. Historically, the lines of influence run from ideas to economy, rather than the other way round. Obviously, as Weber stresses, the relations are reciprocal.⁽¹²⁶⁾ But as Rostow argues, the etiology of capitalism is fundamentally conceptual.⁽¹²⁷⁾ Private property does not entail freedom. Nazi Germany was not a free society. Private property is a necessary, but not a sufficient condition of freedom, and in general it is more convincing to argue that the West

is capitalist because it is free, than that it is free because it is capitalist. Such freedom is vastly indebted to writers such as Locke and Hume and Smith, writers who shaped modern intellectual individualism, before the advent of capitalist society.

What is absolutely crucial from our standpoint is the indispensable nature of human capital formation for a free society. If we assume that the money economy will survive, and with it the labour market, we may take it that freedom to invest in one's own labour will remain an essential freedom. That, at any rate, is the argument of this chapter. We may indeed find it hard to construct a truly satisfactory theory of the demand for education. Nevertheless I would affirm, in general, the rational autonomy of the modern citizenry. If they do not polarize between bourgeois and proletarian, this is in part because they possess differential human capital, capital destined not to be drained off them to the benefit of the bourgeoisie, living labour transformed to dead labour; but capital vested inalienably in their persons: human, living capital.

Both Marxist and Friedmanite sociology predicate their analysis of capitalist society on the existence of private property. Friedman's view of capital is akin to Durkheim's notion of corporations -- intermediate phenomena which block the otherwise remorseless centralizing power of the state. From the standpoint of our thesis, however, private property and the free labour market are not causes but consequences

of freedom. The crucial focus of analysis for comparative purposes is the structure of social control, the inter-connections between a society's administrative matrix, its pattern of hierarchy (social stratification) and its value consensus. Modern liberal capitalism is characterized by deeply entrenched notions of freedom in the general consensus. This is reflected in the administrative matrix, in that the governmental and private realms are strongly classified. The attendant forces of economic freedom are reflected in the pattern of social stratification, which is determined both by differences of property and of human capital formation.

Under fascism and communism on the other hand, explicit ideological exclusion of individual freedoms is associated with a weak classification between the government and the governed. To put it in control terms: the external, coercive frames on the citizens are very strong. Such societies are characterized by relatively weak consensus. Their patterns of hierarchy are different from those in capitalist society. The importance of private property depends on the nature of ideology. Marxism is hostile to private property, fascism much less so. There is thus a weak bourgeoisie under fascism (a bourgeoisie mainly subordinated to the dominant personnel of the administrative matrix) whilst under communism there is no real bourgeoisie. This question of private property, however, is a secondary issue. To repeat the words of Bowles and Gintis intended

for a very different context, "ownership is an amorphous legality". (128)

The case of human capital formation is different.

, It is important under totalitarianism. However, the human capital order of totalitarian society is a distinctive one. We shall address this important issue in the next chapter. We shall attempt both to develop further the view that the Marxian analysis of capitalism is a false one, and also to show that an examination of the control structure of socialism indicates the viability of the theory of human capital. It is to a consideration of these issues that we now turn.

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48. Seliger, M. Ideology and Politics, George Allen and Unwin 1976, p.155.
49. Gintis, H. "Towards a political economy of education" in Dale, R., Esland, G. and MacDonald, M. (eds.) Schooling and Capitalism, Routledge and Kegan Paul 1976, pp.8-20.

50. An alternative formulation to "power relations" might be "administrative fiat". In any case, see Hall, P. "It is a Moral Issue" in New Society, 17 December 1970, quoted in Blaug, M. "The Correlation between Education and Earnings: What does it Signify?" in Higher Education, vol. 1. 1972, p. 63 and p. 75.
51. Bowles and Gintis, Schooling in Capitalist America.
52. Blaug, An Introduction to the Economics of Education, p. 102.
53. Brittan, S. Capitalism and the Permissive Society, S.B.N. 1973, p.79.
54. Blaug, "The Empirical Status of Human Capital Theory", p.833.
55. Freeman, op. cit.
56. Psacharopoulos, G. and Layard, R. "Human capital and earnings: British evidence and a critique", Centre for the Economics of Education, London School of Economics Discussion Paper No.2, 1976, pp.2-3.
The random sample the authors employ for this British study is large -- 7,000 employed males. Ibid. p.1.
Psacharopoulos' earlier work, comparing rates of return to education in thirty-two countries, also constitutes an impressive case for the viability of human capital theory. See Psacharopoulos, G. assisted by Hinchliffe, K. Returns to Education: An International Comparison, Elsevier 1973, especially chapters 3 and 4.

57. Bowles and Gintis, Schooling in Capitalist America.
The authors are ambiguous as to whether it is ownership or control which counts. They claim that it is control which matters -- "Ownership is only an amorphous legality", p.57. The title of their book seems to me to suggest the contrary. This ambiguity is nowhere resolved, and Blaug observes that "industrial society" can be substituted for "capitalism" throughout their book, with no change of argument. Blaug, M. Challenge (July-August 1976), p.59.
58. Ibid, p.57.
59. Cliff, T. Russia: A Marxist Analysis, Socialist Review Publication 1964.
60. Bowles and Gintis, Schooling in Capitalist America. This is really what the whole book is about.
61. Ibid, p.114.
62. Wiles, P. op. cit. pp.11-12.
63. Braverman, H. Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century, Monthly Review Press 1974.
64. Ibid, pp.441-2. Here Braverman uncritically adopts Berg's view that educational attainments have generally outstripped job requirements.
65. Ibid, chapters 1, 11, 17, 19.
66. Ibid, pp. 424-5.
67. Ibid, p.425.
68. Ibid, pp.427-8.

69. Ibid, p.429.
70. Halsey, A.H. and Karabel, J. (eds.) Power and Ideology in Education, O.U.P. 1977.
71. The media are now full of talk about "silicon chips".
72. Braverman, op. cit. p.434.
73. Ibid, pp.429-30.
74. Slater, A.W. (ed.) "Autobiographical Memoir of Joseph Jewell" in Camden Miscellany, Royal Historical Society 1974, vol. 22.
75. Blaug, M. An Introduction to the Economics of Education, Allen Lane 1970, pp. 153-9.
76. Trevor-Roper, H. R. Historical Essays, MacMillan 1963, p.289.
77. Kolakowski, L. Main Currents in Marxism, Clarendon 1978, vol. III, p. 524. The trouble with these propositions -- that wealth is power, that the mode of production determines mental life, that knowledge is ideology -- is that in the strong version I have given them in this footnote, they are simply false, and in a weaker formulation they are commonplaces. Kolakowski stresses this in relation to the second of these propositions, especially op. cit. vol. I, p.364. He takes such insights to be important; but they cannot be regarded as social scientific laws.
78. Popper, op. cit.
Aron, R. Main Currents in Sociological Thought, Pelican 1968, vol. 1.

Berlin, I. Karl Marx, O.U.P.

Schumpeter, J. History of Economic Analysis, Allen and Unwin 1954.

Blaug, M. Economic Theory in Retrospect, Heinemann 1968.

Kolakowski, L. Main Currents in Marxism, O.U.P. 1978, 3 vols.

For a peevish, contrary view, dismissing Marx as a mountebank, see Johnson, P. Enemies of Society, Weidenfeld and Nicholson 1977, p.151.

79. Althusser, L. For Marx, Allen Lane 1965, p.65.

On the penultimate page of this book we learn that "the frontier separating ideology from scientific theory was crossed about one hundred and twenty years ago by Marx; that his great undertaking and this great discovery.....have little by little transformed the face of the earth and its history. We cannot.....renounce the benefits of this irreplaceable gain.....these resources which far transcend in wealth and potential the use that has so far been made of them." It is hard to imagine a less attractive blend of wilful blindness and perverse fanaticism.

80. Paul Sweezy also falls into this adulatory tone in his introduction to Braverman's book, op. cit.

81. Cutler, A., Hindess, G., Hirst, P. and Hussain, A., Marx's Capital and Capitalism Today, Routledge and Kegan Paul 1977, 2 vols.

82. Ibid, chapter 1.
83. Ibid, chapters 8 and 9.
84. Ibid, p. 232.
85. Frank. A.G. On Capitalist Underdevelopment, O.U.P.1976.
86. Marx, K. and Engels, F. "The Communist Manifesto" in Marx and Engels, edited by Lewis S. Feuer, Fontana 1967, pp. 43-82.
87. Samuelson, P. Economics, McGraw-Hill 1970.
88. Blaug, M. Economic Theory in Retrospect, Heinemann 1968, p. 243.
89. Wiles, P. "World Technological Leadership" in Lloyds Bank Review, January 1978, no. 127, pp. 25-6.
90. I mean the view that private property is the key determinant of "power" and hierarchy in a capitalist economy.
91. Wiles, P. Economic Institutions Compared, Blackwell 1977, p. 35.
92. Ibid, p. 35.
93. Ibid, p.35.
94. Galbraith, J. K. The New Industrial State, Deutsch 1972.
- Burnham, J. The Managerial Revolution, 1962.
- Nichols, T. Ownership, Control and Ideology, Allen and Unwin 1969.
95. Miliband, R. The State in Capitalist Society, Weidenfeld and Nicholson 1969.

96. Bowles and Gintis, op. cit.
97. I mean by this that a detailed micro analysis of the deliberated processes whereby individuals demand education, training and so on, is not in any sense at variance with a political economy of their group or "class" position in the structure of decision-making, a la Galbraith.
98. We note that Sam Brittan believes that Galbraith exaggerates the ability of giant corporations to shape demand. Brittan, S. The Economic Consequences of Democracy, Temple Smith 1977, p.253.
99. Members of the technostructure may or may not be personally wealthy. It is not essential to Galbraith's schema that they should be.
100. Friedman, M. Capitalism and Freedom, University of Chicago Press 1962.
101. Althusser, L. "Ideology and Ideological State Apparatuses" in Cosin, B. (ed.) Education, Structure and Society, Penguin 1972.
102. Bourdieu, P. and Passeron, J. C. op. cit. pp.37-40.
103. Marcuse, H., Wolff, R. P. and Barrington Moore, Jr., A Critique of Pure Tolerance, Cape, 1969.
104. Lukes, S. Power: A Radical View, MacMillan 1974.
105. Marcuse, S. One Dimensional Man, Routledge and Kegan Paul 1964.
106. Wiles, see references 91.93 above.
107. Miliband, op. cit.

108. Abercrombie and Turner have noted that one short-coming of the traditional Marxist interpretation of ruling-class ideology, is precisely that ruling groups (sic) have not possessed adequate mechanisms in most eras for disseminating their ideologies.
See Abercrombie, N. and Turner, B.S. "The Dominant Ideology Thesis" in British Journal of Sociology, vol. 29, no. 2, June 1978, p.149 and p.159.
109. Friedman, M. "Has the Tide Turned?" in The Listener, 27th April 1978.
110. This is not to say that over-mighty subjects cannot arise out of the activities of the state. See Brittan, The Economic Consequences of Democracy, pp.119-127.
111. Miliband, op. cit. p.266.
112. Poulantzas, N. "The Problem of the Capitalist State" in Urry, J. and Wakeford, J. (eds.) Power in Britain, Heinemann 1973, p. 297.
113. Kolakowski, op. cit. vol. 1, pp. 333-4.
114. Bowles and Gintis, Schooling in Capitalist America, p.57.
115. Djilas, M. The New Class, Unwin 1966.
116. Cliff, T. Russia: A Marxist Analysis, Socialist Review Publication 1964.
117. Aron, R. Main Currents in Sociological Thought, Pelican 1976, vol. 2, p.256.
118. Ibid, p.255.

119. Kolakowski, op. cit. pp. 246-57.
120. Aaronovitch, S. The Ruling Class, Lawrence and Wishart 1961.
Miliband, op. cit.
Bowles and Gintis, Schooling in Capitalist America.
121. He points out how dominant groups in a company can sometimes control the business beyond what their nominal share-ownership would suggest. This seems to me to undermine his whole "ownership is power" case. Aaronovitch, op. cit.
122. Miliband, op. cit. p.266.
123. Nichols, T. op. cit. chapters 12 and 13.
124. Ibid, p.166. He deals with fifteen of the largest firms in one un-named Northern city. By definition he is not talking about big business.
125. See the series of articles in Encounter:
Mishan, E.J. "On the Road to Repression and Control" in Encounter, July 1976, pp. 5-17.
Friedman, M. "The line we dare not cross" in Encounter, November 1976, pp.8-14.
Goldberg, G. W. "The March of Statism" in Encounter, January 1978, pp.88-90.
126. For a good discussion of Weber's position see Hamilton, P. Knowledge and Social Structure, Routledge and Kegan Paul 1974, p.89.

127. Rostow, W. How It All Began, Methuen 1975, p.31.
In fact, however, the whole book is an elaboration
of the thesis that modernization is au fond a
conceptual phenomenon.
128. Bowles and Gintis, Schooling in Capitalist America,
p.57.

CHAPTER SIXHUMAN CAPITAL AND SOCIALIST SOCIETY

We will drink wine under the trees of
Babylon. But the slaves must ice it properly.

Eugene O'Neill, The Iceman Cometh

Chassez le naturel, il revient au galop

Destouches

In this chapter I shall try to see what light a sociological approach to human capital theory can throw on the nature of socialist societies. I have three main, tentative propositions. The first is that modern socialist society does have a "human capital order", but of a distinctive kind. The second is that "development", however conceived, must imply an increasing significance for that human capital order. The third proposition, which spans the other two, is that development threatens the control structure of socialist society.

I do not share the view, often found in neo-Marxist writings, that modern capitalist societies and modern socialist societies are very similar. I am not persuaded of the cogency of the term "state capitalism" as a description of the latter. In particular one must avoid exaggerating the "reproductive" similarity of the education systems of these two kinds of society.

What I shall argue, however, is that just as the concept "human capital" seems to me indispensable to a sound conceptualization of mature capitalist society, so also in socialist society the labour market and occupational structure

and the educational system which articulates with them, can be regarded as collectively furnishing a huge arena for decisions to engage in human capital formation. It may also be claimed that the labour market, occupational structure and educational system, constitute the most significant proto-capitalist phenomena of socialist society.

I must first issue a caveat. I am not a Sovietologist. Accordingly I must ask the reader's indulgence as to the a prioristic and highly speculative character of this chapter. Having outlined my conceptual schema, I shall, however, try to justify it with reference to published work.

Since this chapter is fundamentally about socialism, I must state what I understand by this elusive concept. Sir Karl Popper repudiates questions of the "what is?" sort.⁽¹⁾ It seems to me, however, that such questions are inevitable if we are to make sense of the social world. By modern socialism, I understand a system aimed at a specifically corporatist or collectivist form of industrial society. Modern socialist states may not be industrial, but they aim to be, with perhaps the exception of contemporary Tanzania. More or less significant, is the issue of state or collective ownership of the material means of production. This, however, is not the only fundamental principle of the "explicit code" of socialist society. Nazi Germany claimed the title "socialism". So also have the Scandinavian societies at times. So also have many

Third World societies. The point, it seems to me, is that while it is reasonable to count public ownership as a tendency of socialist society, this is not so definitive a point as might appear at first blush. For example, if it were the case (and it might well be) that Great Britain in the 1960's and the 1970's had a larger public sector than Nazi Germany, could we claim that the former was more "socialist" than the latter? Assuredly not! The difficulty is that "socialism" is an intellectual construct rather than an empirical reality. This means that for typological purposes we have to look not only at the relative incidence of public ownership, but also at the intentions and core principles embedded in the administrative matrices of different societies. On such a view the explicit code of socialism involves the denial of the individual as the real focus of socio-economic action and administration, the celebration of collectivist over individual imperatives, the denial of interest conflicts. The explicit code of socialism involves a weak, in principle indeed, a non-existent classification between government and governed. Paralleling this classificatory structure there are massive regulatory frames on human action.

It will be seen that within this schema, fascism is in some ways a form of socialism.⁽²⁾ It will also appear that while "left" and "right" are epithets which may maintain some explanatory force at a purely conversational level, they are useless analytically.⁽³⁾

It is true that discussions of a definitional kind are bedevilled by the crossing of normative and positive wires in the case of concepts like socialism. Many people use "socialism" as a term of approbation, summoning up a desirable state of human emancipation and freedom. When some writers have asserted that the Soviet Union is not a socialist society, as did Arthur Koestler many years ago, all that is implied is that they find such societies morally repugnant.⁽⁴⁾ The panegyric to socialism offered by Paul Johnson during his recent menopausal reorientation, was in a similar vein. He was merely saying how he would like the world to be.⁽⁵⁾ In contrast, when Eric Hobsbawm writes of the Soviet Union as a socialist society, his position is both positive and normative. He intends both description and approval.⁽⁶⁾

I shall employ a generally neutral use of the term "socialism" to refer to a particular form of socio-economic organization, with no inevitable normative implications. I find "socialism" a quite reasonable name for modern Marxist societies, though I would not wish to restrict it only to them.

I would not classify Scandinavian society as socialist. It is quite simply too "liberal" for such an appellation. By contrast, I repeat, I do believe that fascist society was in considerable degree socialist. It involved a weak classification between the state and the individual, and strong coercive frames on individual and group action,

for example, the partial destruction of the capitalist labour market, and the suppression of trades unions. It is true that under fascism there was widespread private ownership, but to borrow a phrase used in quite a different context by Bowles and Gintis,⁽⁷⁾ I would argue that the presence of private ownership in Nazi Germany and its virtual absence in Soviet Russia, is only "an amorphous legality" in terms of the sociology of government. I do not believe there is a capitalist ruling class in the advanced liberal societies. Still less was there one in fascist society, where macro decisions were made by the politicians,⁽⁸⁾ and the capitalist classes tended to occupy the decision-making positions filled by senior bureaucrats and administrators in Marxist society. Both under fascism and communism the leading ideological cadres called the tune. Indeed it is a commonplace that Nazi Germany and Stalinist Russia shared much more in common than either had with a liberal society.

By the same token the use of the term "fascist" to describe brutal and autocratic "early" capitalist states like Brazil, Singapore and so on, is simply unhelpful. They lack the specific, institutionalized, pondered ideology of fascist society. The concept "fascism" has been debased by its misuse as a synonym for "nastiness". It is not that fascism is not nasty; merely that what is nasty is not inevitably fascist. "Nasty" regimes like Brazil have, it may be claimed, a burgeoning capitalistic occupational structure which may unfold as part of a process of

rationalization which will attenuate their "nastiness". "Human capitalism" -- the phenomenon of the individual sufficiently emancipated that he can make decisions of a costly sort, designed in relation to previsions circumstances, to enhance his earnings, his status, his "party", may augur a liberal society. There is nothing inevitable about such a liberalization. However, the Western precedent makes it a distinct possibility. (9)

There is a huge Western literature on socialist economies. Some of it is very impressive, for example Peter Wiles' extraordinary erudition. (10) The consensus among Western economists is -- crudely -- that such economies are less dynamically efficient than economies which maintain a still predominantly market system. (11)

The sociological literature is much more diffuse. I have found it in general far less hostile to Marxist socialism than is the economic literature. David Lane's long and, in many ways, excellent book on Soviet Russia, is a case in point. (12) It passes very lightly over the appalling history of modern Russia, and while there is nothing in his book to indicate that Lane is a Marxist, one suspects that what is involved is not a Weberian-style attempt at neutrality, but an example of the general sociological disposition to pull punches in relation to socialism, a disposition which, happily in my view, most economists do not share. Economists, it seems to me, do not generally

share in that boredom with established truths which Bernard Crick sees as so threatening to civilization.⁽¹³⁾

Frank Parkin's comparative work is very interesting,⁽¹⁴⁾ and in some ways Milovan Djilas' work has stood the time-test well.⁽¹⁵⁾ Inevitably there is little which could be called "socio-economy" or "economic sociology", but Raymond Aron's preliminary socio-economic sketches are very useful.⁽¹⁶⁾

Wiles rightly draws our attention to the huge variations within the Communist block.⁽¹⁷⁾ For example, Communist societies have widely differing proto-capitalist elements in their societies. I am no master of the field. Even were I such, space would not permit a long analytical venture. So I propose to pitch my remarks here at a very abstract level -- specifically around the conception of a "command economy" and ask the following questions:

1. Why are all socialist societies non-political in Crick's liberal-classical understanding of "politics"?
2. What are the implications for human capital theory of that a-political or anti-political character?
3. In what sense is rising human capital formation -- a question urged on me in private correspondence by Sam Brittan⁽¹⁸⁾ -- likely to affect the overall pattern of social organization under socialism?
4. Perhaps above all, can human capital theory say anything about developmental sequences?

I take it for granted that the term "state capitalist" has little to recommend it in the context of socialist society.⁽¹⁹⁾ It seems to me to join with the "corporate state" description of capitalism -- that is to say, it is a soft-centred, self-indulgence, engaged in by those whose stomach for accepting the wrongness of the central tenets of Marxism is weak. Those tenets are that capitalism will be battered down by the upwelling of revolutionary consciousness, and that the socialization of the means of production is a necessary prelude to human emancipation. It is time to reassert -- and if I have not previously asserted it then my thesis is not what I intended -- that whatever may once have commended these tenets in grand abstraction, they are empirically quite untenable. In any case, I hope I have established in earlier chapters the embryo, at least, of a socio-economy of their theoretical wrongness.

The reason many Marxists favour "state capitalism" as an appropriate term for actual Marxist societies, is that they are sensitive and humane, and therefore strongly disapprove of societies like the Soviet Union. There is a rather pathetic romanticism which attaches some of them to such despotisms as Cuba and China; others reject all "Marxist" societies as merely soi-disant. But most Marxists are humane individuals. Their emotional capital, however, is bound up with the correctness of Marxism as an explanatory system. Thus when a Marxist regime is revealed

as odious, the last thing Marxist scholars wish to address is the possibility that such odiousness could possibly relate to the wrongness of Marxism as a body of explanation.

The direst reflections on the liberal capitalist order may come from those who love it deeply, as we have said. The gloomiest scenario has it as a one-off improbability between corporatisms. On such a view the future holds in store the ineluctable advance of autocratic socialism, and since Marxism is the most influential contemporary ideology, of Marxist socialism to boot. I think that this is highly unlikely, and that the probable truth is much more comforting -- namely that the Orwellian nightmare, trenchant indictment of the moral bankruptcy of much of the twentieth century that it is, is actually unconvincing. For questions of sheer technological efficiency, we may guess that if Oceania does not break ranks with corporatism, then Eurasia will. Rationality, the ethos of calculative rationality, is the spectre at the corporatist feast, capitalist Banquo to socialist Macbeth. In the twentieth century, one of the principal guises of rationality is human capital formation. Such will be the argument of this chapter.

We can establish a kind of rough ideal-type of the modern Marxist society, an ideal type with the following principal features:

1. The administrative matrix will be weakly and comprehensively classified vis-à-vis general

socio-economic life. There will be no sphere of that life where the state does not claim a right of intrusion in principle.

2. There will be a massively entrenched, explicit, official ideology. This ideology can be thought of as a "base" setting limits to what can happen in the rest of society, a remainder which, by a grim irony, may be regarded as superstructural.
3. There will be a strong classification in a dichotomized control-structure, between party members and the rest. On the other hand, the classification of social strata on economic lines may be different from that of a capitalist economy. For, as we argued in an earlier chapter, the skill order (human capital order) of Western society, is associated with a continuous pattern of income and status hierarchy, reflecting, grosso modo, a gradual hierarchy of scarcity and skill. We admitted that the meritocracy involved remains powerfully influenced by ascriptive forces. However, there is little or no attempt by the authorities to shape or manipulate the reward structure. To this extent the market is given its head. Under socialism, by contrast, at some periods either highly skilled labour will be officially downgraded vis-à-vis proletarian occupations, or required to engage in the activities of the latter. This is to say that manual

work will be celebrated. However, statements of this sort are plagued by the bewildering speed with which official policies can change in societies which have such highly centralized structures of decision-making.

4. A point which catches aspects of the preceding three points is that there will be a high emphasis on what is actually social human capital formation, that is, collectively planned skill formation.
5. There will be strong external frames on group and individual socio-economic action. There will be strong regulation on work, domicile, leisure activity, travel, belief, opinion and so on. For this reason socialist societies will inevitably have a much more skeletal "human capital order" than is the case under advanced capitalism. In particular, "migratory" human capital formation will be less available to the citizenry.

It is worth saying immediately, in the context of this ideal typus, that it is itself a long way adrift from Marxian eschatology. That we can abstract such a set of structural features at all, is witness to the theoretical wrongness of Marxism. Marxist society is despotic because Marxism is intellectually wrong, a point we shall hope to elaborate later.

Second, it is clear that no actual socialist society

corresponds at all fully to the ideal type we have outlined. Peter Wiles points out that there are huge variations within the Marxist world.⁽²⁰⁾ Hungary is not a soviet-type economy.⁽²¹⁾ Neither was China,⁽²²⁾ at least until recently. Yugoslavia permits relatively free exit and return to its workers, Poland and Hungary permit relatively free travel rights to some citizens; Poland has considerable internal intellectual and religious freedom, and so on. Perhaps above all we must stress the presence of capitalist and proto-capitalist elements in all Marxist societies. Poland with its small businesses and non-collectivized agriculture, Russia with its intensively worked small-holdings, China with its adjacent "capitalist" mediator, Hong Kong; all exemplify departure from any total conception of socialism.

What we shall do in this chapter is to try and uncover the sociological relevance of human capital theory to the analysis of the Marxist state. How appropriate is this theory for "totalitarian" society?

There is, in fact, a real sense in which the concept "totalitarianism" is a misnomer. Its only full justification would reside in its being used to describe regimes which intend to regulate every detail of socio-economic life. It seems likely, however, that no regime has sought fully to do this, and also that the intention to move in that direction will always fall short in reality.

We repeat that the very concept of society is consensual. Whatever the ambitions of a Stalin, a Hitler, a Mao Tse Tung,

it is not mainly the fear of the secret police which prevents anti-social behaviour. People internalize and conform to behavioural norms as the condition of social life. Thus while there are differential ambitions by regimes to control the lives of their citizenry -- China more than Singapore, Singapore more than the U.S.A. -- it is fair comment that the theorists of totalitarianism have not sufficiently recognized the ideal-typical character of their analytical device.

We propose to employ Bernstein's concept of classification here. A totalitarian society, ideal-typically, is a society where there is no classification between government and the governed, either in intention or fact. No society will actually correspond to such an ideal type, but societies may be ranged on a spectrum between weak classification and strong classification. Soviet Russia, Nazi Germany, Communist China, occupy positions (though these are historically variable) at the weak end of the spectrum. At the strong end of the spectrum are those societies where there is sharp classification between the state and private social life, as in the U.S.A. and Western Europe. A host of other societies, e.g. the autocratic regimes of early capitalism, occupy an intermediate position.

The important theoretical proposition for our thesis is: the emergence of a highly developed human capital order is a main influence in creating a strong classification between government and governed. Conversely, a weakening of the

human capital order, involves a weakening of classification, as the state machinery becomes less separate from men's lives. What is the nature of human capital formation in socialist society? This central question cannot be tackled without an examination of the role of ideology in Marxist society.

The Human Capital Order of Socialism

It is not the case that there is no human capital formation under modern socialism. There is both human capital formation and what we have earlier called a "human capital order", that is, a pattern of social stratification and other systematic socio-economic relationships, relating to human capital formation.

What is noteworthy, however, is that under socialism the human capital order assumes a different guise from that associated with capitalist society. In principle, a "capitalism of occupations" could be more significant in the determination of income and social stratification under socialism, than is the case under industrial capitalism, since the private property sources of income, status and class, are mainly absent. That such a primacy of the occupational structure does not fully obtain, reflects the constraining influence, over a wide range of socio-economic phenomena, of institutionalized Marxism. Socialist societies often deliberately alter the pattern of income distribution away from that which would be generated by the market

registration of scarcity.

In socialist societies there are rapid shifts of policy on the subject of income differentials and efficiency etc. The fundamental constraint on a fully-fledged commitment to economic efficiency is the centralized control of the party bureaucracy. Just as a rural bourgeoisie and a capitalist industrial class are inconsistent with the ideology and the likely continued pre-eminence of the communist party, so an untrammelled capitalism of occupations, which would effectively usher in a strong middle class, is not consistent with the present structure of social control.

Of the various models offered for the analysis of modern socialism, I find a mixture of elite theory and totalitarianism the most convincing.⁽²³⁾ There is an elite in socialist society, but it may not be as self-perpetuating as the elites of capitalism, though it is enormously stronger in the structure of decision-making. At the same time, I incline to Raymond Aron's view that socialism is relatively classless.⁽²⁴⁾ It lacks a bourgeois class, its "middle class" is weaker than that under capitalism, and its workers are relatively powerless and fragmented.

For these reasons two propositions are worth repeating:

1. Socialism has a distinctive human capital order. Raw income differentials may or may not be attenuated, as compared with a capitalist economy, but there is a massive incidence of the non-monetary aspects of human capital formation, an incidence rendered greater by

the lesser presence of monetarily quantifiable hierarchy as compared with capitalist society.

2. The emergence of a more "Western" version of human capital formation will threaten the pre-eminence of the party.

Both these propositions relate to an issue we have raised in an earlier chapter, and which we must develop more fully below -- namely that by one of history's supreme ironies, ideology, which is seen in the Marxist analysis of capitalism as a super-structural manifestation of the economic base, has itself become, in Marxist society, the constraining "base" of social life. A similar point is made by Alexander Gershenkron in his essay, "The Stability of Dictatorships", when he says that dictators try to maintain power as the independent variable, such that their economic policies become the dependent variables. (25)

I have throughout this work raised questions against the over-use of the concept "power". However, when an explicit ideology is institutionalized, the resultant control-structure is more coercive than that of liberal capitalism. To that extent a power analysis does gain an increased cogency. In any case, Gershenkron's implicit insight is the valuable one that the base/superstructure metaphor (in his version the independent/dependent variable relationship) has a relevance to the analysis of socialist society which it lacks in relation to Western capitalism. (26) Tom Bottomore is

thinking in somewhat similar vein when he points out that the unified elite of Soviet countries is nearer an ideal type of ruling stratum than are the divided elites of capitalism. (27)

Marxist ideology has not fully prevented the emergence of what Weber terms "rationalization", (28) but has nevertheless profoundly modified its processes. The human capital order of Marxist societies has two fundamental elements: the occupational structure and the communist party. Economic success in both cases involves calculated decisions to incur present costs for the sake of future benefits. These two elements are partly overlapping, and in part distinct. They are also partly at war with each other, for the latter is the repository of official Marxist ideology, and the former is the principal proto-capitalist element in socialist society. For example, David Lane quotes a writer called Bergson to the effect that "the principles of relative wages in the Soviet Union are also capitalist principles". (29) We repeat, however, that a calculus of cost and benefit is also involved in upward social mobility via the party. That this is so, constitutes a check to the occupational structure. If the occupational structure were ever to achieve, under socialism, the kind of socio-economic pre-eminence it has assumed under capitalism, the survival of the Marxist regime itself would be put into question.

The two structures (of occupation and party) have, therefore, some similarity. In both, education is crucial to

continued membership of, or successful ascent to, the upper reaches. In the case of higher positions in the occupational structure, this is achieved via a successful career at school and higher education. In the case of the senior party positions in Soviet Russia, ascent has often been through the party schools. In both cases it seems inevitable that a private calculus of costs and benefits is at work. Indeed it seems, a priori, extremely likely that such a calculus is more intensively employed in communist societies than in capitalist societies, given the absence of other sources of upward mobility, such as private business.

It is worth noting, and we will later pursue the matter more fully, that as compared with the West, private calculations seem likely to take greater account of non-monetary returns to educational outlays, such as status differentials, access to special shops, foreign travel, and so on. This is true both of occupational and party advance, but especially of the latter. Neither does it seem fanciful to expect an inverse relationship between equality in the distribution of money incomes and the importance of these intangibles.⁽³⁰⁾

The two structures (of occupation and party) are, however, also notable for their differences. The occupational elite is not by any means fully self-perpetuating, but in Soviet Russia, for example, as Alec Nove points out, it is recruited overwhelmingly from the groups known in that country as the intellectuals.⁽³¹⁾ This being the case, the possibilities for an analysis à la Bourdieu are obvious.

The communist party by contrast is relatively classless. Though what would be called "working-class" membership by Western sociologists is not an actual majority, it is nevertheless very large. For example, according to Lane, 42% of party members in the U.S.S.R. were of lower class origins in 1977,⁽³²⁾ and the recent leadership has been almost entirely of lower-class origin.⁽³³⁾ If this lower-class pre-eminence is in time reduced, this may also reflect a conscious attempt by the party to prevent the emergence of the occupational elite as an independent force. The relatively classless nature of the party composition -- cutting across, as it does, all other possible hierarchies -- is both a reflection of official ideology, and a function of the structure of social control.

As we shall see later, Soviet policy is to expand lower-class representation in the party. If socialist societies wish to prevent the emergence of a strong middle class, without abandoning the benefits of a specialized division of labour, they may either seek to exclude highly qualified labour from the party, or contain it within the party.

What we find in the history of Marxist societies is an unsettled tension between economic rationality and ideology. Sometimes monetary skill differentials are encouraged; at other times they are suppressed. Stalin made sharp earnings differentials a fundamental part of his strategy for industrialization from the 1930's, thus reversing earlier

policies of equalization.⁽³⁴⁾ The post-Second World War Marxist states have passed through a similar reversal, as parkin has pointed out.⁽³⁵⁾ Contemporary China is also presently stressing the need for differentials and incentives, as against its earlier extreme literal egalitarianism.

Some Western writers are fixated on relatively crude indicators of equality, such as the distribution of income, the ratio of highest to lowest incomes, and so on. Such fixation is especially apparent among radical sociologists.⁽³⁶⁾ I would submit, however, that a distribution of incomes where individuals have earnings of increasingly similar magnitude, where differentials are narrowed, does not indicate a generalized equality in society. As Kolakowski points out, one needs also to uncover the degree to which individual citizens have access to decision-making in general.⁽³⁷⁾ My view is that corporatism actually disenfranchises the individual citizen. It could hardly be otherwise, for corporatism denies that he is the fundamental focus of government and economic activity. In terms of the leverage which the individual citizen has on the overall structure of decision-making, the citizens of advanced capitalist society, are not only freer than the citizens of modern socialism, but also enjoy greater equality of consideration. By the same token, the development of wider income differentials in a socialist society may indicate a greater, rather than a lesser, equality in general decision-making. Rationalization of this kind may be what the

citizenry actually want.⁽³⁸⁾ Extreme literal egalitarianism in the distribution of incomes seems likely always to be the work of irresistible and fanatical elites, and its price is a general intensification of the overall inequality in the structure of decision-making.

Human capital formation has implications for politics, in the sense in which we earlier understood it. For politics implies a recognition that conflicts exist in society. Human capital formation generates social stratification. It is thus a phenomenon relating to actual or potential conflict, as well as to consensus. Socialist regimes, having nationalized the physical capital stock, deny that either social stratification or social conflict can occur. They have an underlying desire for classlessness. They therefore try to suppress market relations and politics.

What we are insistently drawn to address in all this is the role of official ideology in the Marxist state. Such ideology has profound implications for the structure of social control under socialism, and for the very special character of human capital formation in socialist society. We must therefore address it formally.

Marxist Ideology and the Socialist State

In earlier chapters we have repeatedly suggested that there

is strong affinity between the control structures of modern socialism and those of traditional corporatisms such as feudalism, slavery and oriental despotism. We have also suggested that modern capitalism is the distinctive historical formation in terms of its modality of social control, resting as it does on unprecedented consensus.

The notion of continuity between ancient and modern corporatisms, however, whatever its felicity for some purposes, is also misleading. For in all pre-industrial societies, the process of socialization may be seen, retrospectively, as reflecting the relative lack of a deep pattern of economic socialization. Where the money economy is weak or absent, where people are not involved in complex economic decision-making, we may take it that their socialization is generally non-economic in character. Thus social control attains its essential core in terms of a mechanical solidarity of social action. To this extent Durkheim is correct.⁽³⁹⁾ The absence of pluralistic or alternative value systems reflects a society where there is little division of labour and no deep market code, the internalization of which is a powerful influence in social life. We repeat, however, that the fundamental cleavage in pre-industrial society, between the elite and the masses, was probably not internalized by the majority. This, rather than Durkheim's "conscience collective", may explain the ferocity of some aspects of the system of social control in agrarian society.

Under modern socialism we may argue, the generally

capitalistic principles of the occupational structure may well be internalized by the masses. It is the dichotomy between party and non-party which proves unacceptable to the excluded majority. Under modern capitalism, by contrast, economic socialization sits at the centre of general socialization. This is associated with relatively flexible codes of non-economic conduct, e.g. sexual and religious conduct, and so on. The highly pluralistic intellectual and moral life of advanced capitalist society depends on the ubiquitous incidence of economic socialization. Such economic socialization, we repeat, is intimately connected with human capital formation.

The control problem of modern socialism thus becomes clear. It seeks, through institutionalized Marxism, to generate a homogeneous value system which will attach the general citizenry to the status quo,⁽⁴⁰⁾ at the same time as it must necessarily seek to attenuate or inhibit the occurrence of a market socialization of the citizenry, of the kind implicit in its developmental ambitions. One way of interpreting Marx is to see his work as an eloquent recoil from the "market code", which he regarded as destructive of our humanity. The central phenomena of capitalism, namely the ubiquitous division of labour, and the ubiquitous market economy, are the very features Marx saw as at war with our species essence, the very features which advocates of capitalism would identify as vital to our increased powers of production and of control over the material world.

However incompletely, Marxist societies have remained faithful to these inclinations, generating a control structure which is the opposite of that of capitalism, in that it is loose (or embryonic) where capitalism is tight -- in the matter of economic socialization -- and tight where capitalism is relatively loose -- in the case of intellectual and moral attitudes and behaviour. The Marxist state permits its citizens much less economic freedom than is enjoyed by the citizens of advanced capitalism. To this extent, it deprives itself of one powerful agency of relatively non-coercive social control. It also seeks to mould the intellectual and moral outlooks of the citizenry, in the attempt to create socialist man. The contradictory outcome of a society whose leaders have adopted a Marxist perspective, to the effect that ideational life is a derivative of economic life, is a fracturing of those reciprocal relations between ideational phenomena and economic phenomena which Weber observed in society.⁽⁴¹⁾ The result is that ideology comes to constrain the social whole. By a savage irony, Marxist society is extraordinarily idealist.

This does not mean, we repeat, that capitalist principles are foreign to the citizens of modern socialism. It is merely that they are not officially allowed for. There are the huge unofficial capitalistic markets of modern socialism,⁽⁴²⁾ ranging from those which are relatively tolerated, to those where major, proven activity carries the death penalty. There is the emulation effect caused by

knowledge of Western capitalism. Above all, there is the inherently capitalistic character of a specialized and hierarchical occupational structure. Such phenomena seem likely to become more, rather than less significant, with the passage of time, certainly if socialist governments aim at establishing living standards and technological innovation comparable to those of advanced capitalism. It is in fact fascinating to speculate how far these phenomena are associated with a deep code of market principles in modern socialist society. To what extent is it these principles which form the consciousness of the citizens of modern socialism? Wiles remarks that personal contact with Russians and Poles does not suggest the emergence of socialist man.⁽⁴³⁾ Perhaps the institutionalization of Marxism is capable of generating a surface code only, the principles of which many citizens do not believe, though they are constrained to live with many of its consequences, such as the impossibility of building large-scale capitalist enterprises and so on. Certainly I am not persuaded of the view that we shall lack an adequate test of Marxian socialism until we see it transform an industrial society. It seems to me that the further the process of modernization progresses in socialist society, the more dysfunctional will socialism as a set of organizing principles become. What we shall argue later is that in socialist societies, the education system is shot through with a capitalistic "hidden curriculum".

There is an intractable conflict between a Marxist-inspired structure of social control, and the developmental ambitions which Marxism also promotes. Marxist regimes are based on the propositions that private ownership is the basis of the ills of capitalism, and that the socialization of the capital stock will eliminate social conflict and generate a new consciousness among the citizenry. A central feature of Marxist regimes is that the ideology of which these propositions are the core, is institutionalized but not generally internalized, hence the coercive control structure of Marxist socialism.

There are obvious variations. Some socialist societies are much freer (less coercive) than others. Nevertheless we may doubt how far such freedoms can develop. In the case of Hungary in 1956 and Czechoslovakia in 1968, there seems to have been a genuine and widespread desire for greater economic and political freedoms. In the latter case, as Parkin points out,⁽⁴⁴⁾ there was a desire for the recognition of skills and expertise, through greater pay differentials, which we may retrospectively interpret as a desire to engage in private human capital formation. This would suggest, in particular, a rejection by many citizens of the extreme, literal, egalitarian aspects of Marxist ideology. Socialist regimes have oscillated rather violently between lesser and greater equality in the distribution of income, and it may be that the encouragement of decision-making by their citizens, as to the deployment of

their labour, permits such regimes to relax somewhat the coercive elements in their social control. We may doubt, however, how far the process can go, without threatening the ideological base.

Is a socialist economy consistent with an open society?⁽⁴⁵⁾ It is certainly possible, as Wiles points out is the case in contemporary Hungary, for an economy with a nationalized capital stock, to go very far in the direction of market-based production.⁽⁴⁶⁾ One is mindful of the point made by writers such as Blaug⁽⁴⁷⁾ and Brittan,⁽⁴⁸⁾ that in principle a socialist economy could more nearly approach perfect competition than a capitalist society.

This, however, is not a possibility I find likely. Free men have, it seems to me, a tendency to want property as well as income, and if Marxist socialism is nothing else, it is the relative absence of large-scale private property. On this view Hungary may be interpreted as following a very precarious course, one which conflates the capitalist (or at least market) logic of development, and the ideological primacy of institutionalized Marxism. In the event the Russian tanks are never far away, and can be deployed with lightning rapidity against any fundamental challenge to the control of the party.

Thus I would argue that analytically, strategically, the Russians were right in 1956 and 1968. A free society is one where you can say that Plato, Christ, Marx or anyone else was in fundamental error. The man who either believes that

Marx was wrong about property and capitalism or, the more likely case, has not the slightest interest in what Marx had to say, may well decide that he would like to be a capitalist. The alacrity with which many Poles seem to have taken to the small-scale entrepreneurial activity now allowed to them, is surely a case in point.

The point from which we shall never stray far in this section of the thesis is that socialist society involves a conflict between what Bauman calls "officialdom and class".⁽⁴⁹⁾ Officialdom is the administrative matrix within which Marxist ideology is institutionalized. It promotes the pre-eminence of the communist party, and is a source of the elements of classlessness which writers like Aron detect in socialist society.⁽⁵⁰⁾ It leads to a social stratification of a non-class kind, between party members and the rest, preventing in some degree the crystallization of strata based on market relations. "Class" is precisely the outcome of market relations, an inexorable outcome of the logic of the developmental process.

We argued in earlier chapters that the widespread socialization of the population of Western economies in terms of the market code, is associated with a complex, pluralistic class-structure, based on human capital formation as well as private property. The former gives to capitalist society its continuous, rather than dichotomous, system of stratification. For this reason we deny Ernest Mandel's view that the development of market relations will

entrench the rule of the socialist elite.⁽⁵¹⁾ I would argue, to the contrary, that it will undermine it. That is precisely the dilemma of socialist society. This dilemma is writ large in socialist educational practice, and it is to a discussion of socialist education systems that we now turn.

Education and the Socialist Human Capital Order

I have already repudiated the view that advanced capitalism and contemporary socialism are very similar social formations. This repudiation holds also for their respective systems of education. Socialist education systems do have similarities with those of the West. The published literature, however, makes it clear that there are vital differences.

Mark Blaug begins the main text of one of his best known works with the statement that in all societies of which we have knowledge, educated people tend to earn more than less educated people.⁽⁵²⁾ Socialist societies conform to this rule, though there may be grave problems associated with interpreting the education/earnings connection in the context of socialist society, as we shall see later. According to Parkin, there is a tremendous importance attached to qualifications in Eastern Europe: "the most obvious break in the reward hierarchy occurs along the line separating the qualified professional, managerial and technical positions from the rest of the occupational order."⁽⁵³⁾

Speaking specifically of the Soviet Union, Nove asserts that higher education has now become almost a necessary (though not a sufficient) condition of getting into the nomenklatura (roughly, the "establishment") and into senior positions generally. (54)

Again with specific reference to Russia, Lane opines: "In the absence of family property, the educational process is the major determinant of the life chances of the Soviet citizen." (55)

As Parkin points out, for Eastern Europe generally, lower clerical workers do not often get promoted to managerial positions. Neither do blue-collar workers get managerial promotion. Such positions are mostly filled by direct university recruitment. (56) This suggests a strong prima facie case for regarding socialist society as constituting "an educational meritocracy". This, however, does not hold throughout the entire occupational structure, as we shall see below. These considerations do not imply that there is greater inequality of incomes under socialism than under capitalism: on the contrary, there is less. Neither do they imply that there is less upward social mobility under socialism than under capitalism: on the contrary, there is more. (57) What is implied is that there is a different structure of social control under socialism from that of the West, and an attendant, different rewards structure. In this reward structure, the educational system plays a more vital and central part than is the case in the West.

parkin notes that in a command economy the rewards system is much more responsive to manipulation by the central authority than it is in a market-based economy. The market, he says, is not "the governing mechanism of reward allocation." (58)

The first proposition seems to me incontestable. The second needs much qualification. It is true that in what would be the lower-middle reaches of the occupational structure in a Western economy, embracing skilled workers and lower clerical staff, the ideological posture of socialist regimes, namely to exalt manual labour, has been associated with a reversal of the normal pattern of the relative earnings of such workers under capitalism. Under socialism, skilled manual workers earn more than lower clerical workers despite their fewer years of schooling. When such a development occurs in a capitalist economy, we may take it that the forces of supply and demand are at work. Or perhaps an imperfect market prevents the true registration of relative scarcities in the pattern of labour prices. Under socialism, by contrast, the higher pay of skilled workers than of lower clerical works has often reflected ideological preoccupations.

It may be that in socialist society both groups are relatively weak in the structure of decision-making. We repeat that recruitment to senior, managerial positions, is not made from either group, such recruits requiring direct university background. It may be in fact that "officialdom"

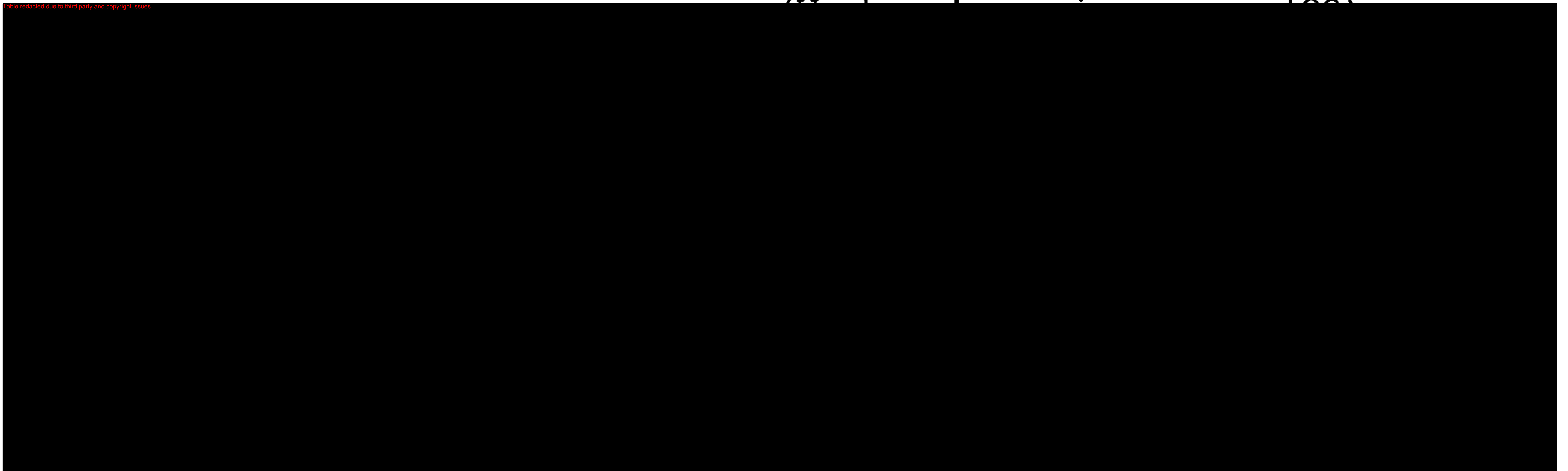
is able seriously to subvert the exigencies of scarcity (a manipulation which will certainly involve some efficiency loss) only in the case of relatively weak occupational groups, such as lower clerical workers. In the higher ranges of the occupational structure, the relationship between education and earnings is an especially robust one under socialism. It may be that here the rationality of human capital formation has asserted itself with irresistible urgency. I am impressed, I repeat, by Bauman's view:

"in the socialist societies of Eastern Europe, each individual's situation is shaped by two relatively autonomous and to an extent, antagonistic, power structures, neither of which is entirely reducible to the other. I am inclined to consider this as a permanent and structurally determined feature of the societies in question. The two power structures are: officialdom and class." (59) "Officialdom" is the equivalent of what we called in earlier chapters the "administrative matrix". We have already seen that its main institution, the Communist Party, is an arena of human capital formation, where costly decisions can bring very considerable rewards in terms of privilege and so on. In this sense, Bauman's antithesis is a little too sharp. However, officialdom is suffused with the egalitarianism of Marxist theory and remains therefore in principle hostile to capitalism and all its works.

"Class" refers to stratification according to the principles of market scarcity. Socialist societies do

more commonly subvert these than is the case in Western society. For example, we repeat, as compared with the West, in Eastern Europe, as Parkin makes clear, there was, in the mid-1960's a clear tendency for highly skilled manual workers to enjoy, on ideological principle, higher material rewards and status than lower white-collar employees, as is shown in these figures:

Income Differentials of Occupational Categories in
Eastern Europe, 1964



Source: U.N. Economic Survey of Europe in 1965, Part II,
Table 8.18. (60)

According to Alec Nove, it remained true in the 1970's that the broad stratum known in Soviet Russia as the "intelligentsia", from whose ranks, via higher education, upwardly mobile citizens may enter the nomenklatura, was not generally materially privileged. The majority of its members earned less than skilled workers. (61) There seems to be involved here, contrary to the received wisdom about unified elites under socialism, a deliberate attempt to prize apart, to some

extent, the hierarchies of earnings, status and decision-making. One is on difficult ground here. I have found no direct literature on the subject, though Parkin points out that in Poland and Yugoslavia, parents often prefer highly-paid manual labour to more lowly-paid clerical employment for their children. (62)

Parkin does not seem to take cognizance of "class" as understood by Bauman. (63) Yet it may be argued first, that the deliberate suppression, for ideological reasons, of incomes differentials generated by scarcity, is probably a major source of efficiency loss in socialist economies, and second, that any attempt to right this, in pursuit of the developmental ambitions of socialist society, namely the eventual surpassing of capitalism in terms of living standards, is likely to intensify market relations. In generating a class-structure more similar to that of capitalist society than is the case at present, market relations will increasingly subvert the control structure.

Thus the incorporation of almost all highly paid occupations to the party structure represents, as we have said, an attempt by "officialdom" to contain "class". (64) Nevertheless there are self-perpetuating class tendencies in the occupational structure of East European socialism. While Nove says that if one means by elite, the apex of the state and party bureaucracy, say the top 20,000, one can confidently assert that they are not hereditary in Soviet Russia, (65) Parkin points out that for Eastern Europe

generally, very few children of the white-collar intelligentsia are downwardly socially mobile, and it seems likely that the same holds for children of the apparatchiki.⁽⁶⁶⁾

Parkin also asserts that the occupational elite use education for their children as the equivalent, under socialism, of capitalist property.⁽⁶⁷⁾

The published work on incomes in East European society makes it clear that a positive correlation between education and earnings does occur under socialism. I shall not attempt to calculate the coefficient of correlation involved. The data might, in any case, not prove sufficiently sensitive to permit a general study of the relationship between education and income distribution.

Wiles and Markowski point out, in the context of a comparative income analysis showing Poland to be more egalitarian in its distribution than the United Kingdom, but less so than the Soviet Union, that in the case of Soviet Russia, they were obliged to work on earnings data, since the Russians are very secretive about incomes.⁽⁶⁸⁾ However, I will suggest the difficulties econometricians would be likely to face in working in this area. First, the ideological policies of what Bauman calls "officialdom" have the effect of massively subverting the relationship between pay and scarcity, over some ranges of income, as we have seen. When income redistribution occurs in Western economies, it is generally via the market mechanism. Its incidence under socialism, we repeat, has a profound ideological inspiration.

secondly, there is a hidden pattern of economic advantage behind the quantifiable distribution of income. This involves economic intangibles such as status, access to decision-making, foreign travel and so on. Considerations of the incidence of these intangibles may be taken as profoundly modifying the calculations around human capital formation undertaken by the citizenry under socialism. It is not that the calculation of intangibles is absent under Western capitalism. Indeed recognition that it occurs is perhaps vital to the viability of human capital theory.⁽⁶⁹⁾ It is simply that under socialism, given the relative absence of private property, and given the relatively narrow range of income distribution, the calculation of intangibles becomes, a fortiori, important in the process of maintaining a position high in the system of social stratification for the children of the elite, and important also in the process of upward social mobility either via the occupational structure or via the party, for children from the lower orders.

As Lane says in his chapter on social stratification in Soviet Russia, there are clear divisions of pay and education between unskilled, semi-skilled and skilled workers,⁽⁷⁰⁾ and as we have stated already, elite positions require higher education. To this extent, the education system may be the locus of especially intense decisions as to human capital formation by the citizens of socialism. However, the education system of modern socialism is also the intended agency of socialist ideological dissemination and

social control. By an inherent contradiction, it embodies the principles both of officialdom and class. Insofar as the occupational structure is the main capitalist element in socialist society, and insofar as education is the principal "narrow pathway" to success in the "grim obduracy of the division of labour",⁽⁷¹⁾ then the socialist education system has inexorably capitalistic functions.

At the same time, the education systems of socialist society have the explicit, manifest function of disseminating Marxist ideology. They are intended to link up with other media as agencies of socialist social control. How successful they are in this is open to doubt, as we shall see below.

Lane points out that in Soviet Russia the boundaries between school and other institutions are not clearly defined.⁽⁷²⁾ Elsewhere he notes: "One of the characteristics of the Soviet system is a diffuse boundary between the political and other social institutions over which the party and state claim the right to use sanctions."⁽⁷³⁾

We may express these ideas in the Bernsteinian terminology we have employed throughout. In Soviet Russia (and in socialist society generally) there is weak classification between the realms of the public and the private, between the activities of the state and other socio-economic activity. There is also weak classification between different agencies within the state. This does not imply a more coherent structure of values than occurs in advanced capitalist society. On the contrary, I believe socialism is even more confused

and contradictory than capitalism. Indeed, the ambiguities we have identified, the contradictions between officialdom and class, go right to the heart of the educational control structure, itself a key element in a general apparatus of control and decision-making, centralized and interventionist beyond the imaginings of most citizens of Western society.

The education system of socialist society is highly centralized, in a way which relates directly to centralized manpower planning.⁽⁷⁴⁾ There has never been much ambiguity about the frank role education is intended to play in skill formation and occupational placement, though, for example in the Russian case, there seem to be constant doubts about education's allocative functions, and particular concern about the productive adequacy of curriculum.⁽⁷⁵⁾ The unashamed vocational emphasis of the system,⁽⁷⁶⁾ results in a curriculum of an investment character. To employ a phrase I have used elsewhere, "curricular consumption" is not encouraged.⁽⁷⁷⁾ This means, I suggest, that though the principles of the occupational structure (capitalist principles of scarcity and reward, of sacrifice and return) are present in schooling, one of the outstanding characteristics of advanced capitalist societies, namely their tendency to use scarce resources for educational consumption, is largely missing from the socialist world.

The system is clearly intended to secure a high degree of conformism,⁽⁷⁸⁾ and there is a strong emphasis on patriotism.⁽⁷⁹⁾ In Soviet schools, furthermore, students

in final year are taught about the inevitable collapse of capitalism and the great achievements of the Communist Party. (80)

These propositions, blatant and crude compared even with the worst American flag salutation, (81) are accompanied by ceaseless exhortations about selflessness, brotherhood, proletarian solidarity and so on. (82) Lane cites Bronfenbrenner's research which concludes that the Soviet educational system is an effective agency of socialization. Even peer groups, unlike their Western counterparts, evidently promote conformism and discourage deviance and misconduct. (83)

Here Lane's text glides over what is surely a monumentally naif and confused study. One might, of course, simply glance a few hundred miles further west, where there are surely massive a priori grounds for believing that the citizenry reject most of what comes to them through approved channels. Nearly thirty years of Marxist education in Poland have passed, and the Catholic churches are bursting at the seams. The vast army presence in Eastern Europe inevitably suggests a precarious control structure, resting heavily on coercion. Many people in Eastern Europe clearly regard socialism as a monstrous and alien imposition.

In Russia, however, things might be different. So what is wrong with Bronfenbrenner's case? Put at its simplest, it is that the most elaborate data on surface conformism (low truancy rates and so on) tell one rather little unless they are interpreted in the light of the general structure

of social control. Socialist societies are highly coercive. The Soviet Union uses capital punishment, for example, on a scale unknown in the West. In the case of a much less developed socialist economy, China, much beloved by Western radicals, there appear to have been quite frank and open declarations of sundry executions in recent years. (84)

All societies are in part coercive. The difficulty for Bronfenbrenner's thesis is that when coercion is a very important element in the social control-structure, it is especially difficult to take conformism as an index of internalization. This is not to deny that socialization occurs within socialist education, nor to deny Bronfenbrenner's suggestion that exposure to a narrower range of ideas tends to render peer groups relatively conformist in socialist societies. (85) I am merely suggesting that conformism does not adequately measure socialization. Socialist education systems are doubtless characterized by greater conformism than is the case in the West. This does not imply a successful ideological socialization.

According to Mickiewicz, in 1964 in Soviet Russia, some thirty-six million adults were involved in a system of "political socialization" involving schools, official circles and seminars. (86) One response to this is to assume that ideological discussion and analysis are very popular in the Soviet Union. Another interpretation is to see it as a process of solidarity for the Communist Party. My immediate response would be to argue that it typifies the weak consensus

of socialist society, and is indicative of a social control structure which so far from being able to implant the official ideology successfully in the masses, does not even find it easy to convince the elite of its cogency.

Abercrombie and Turner have argued, in the context of capitalist society, that contrary to the received wisdom of the Marxist tradition, dominant ideologies have usually had the function of integrating the dominant classes rather than controlling the masses.⁽⁸⁷⁾ In the case of Soviet Russia, the scale of adult political socialization, whose costs must be a major element in the educational budget, suggests first, that it is difficult to achieve and, second, that it is deemed very important. This, no doubt, in part reflects the desire by the regime to prevent the now dramatic over-representation of highly educated and upper occupational groups in the party, from coalescing into an independent force.⁽⁸⁸⁾

High truancy rates, unruly schoolchildren and so on, may well reflect disaffection where they occur. The massive and scandalously under-researched truancy of many urban children in Great Britain and the United States is indeed evidence of educational estrangement. These, however, are liberal societies, where social order does not greatly depend on massive bureaucratic surveillance and harsh punishment. Thus when A. H. Halsey said of the Bowles and Gintis thesis that it seemed very like functionalism, and more appropriate to Eastern Europe than to Western capitalism,

I was able to agree with the first charge, but not with the second.⁽⁸⁹⁾ Schooling in Capitalist America is indeed like a crude functionalism, combined with an even cruder conspiratorialism.⁽⁹⁰⁾ The second charge, however, confuses intentions with actual outcomes. Basil Bernstein rightly doubts if Western education systems do easily produce personality types appropriate to capitalist social relations.⁽⁹¹⁾ He is quite correct. What reason, however, is there for thinking such a reproductive schema to enjoy a rescued relevance under communism?

The answer is: very little, unless one thinks that dovetailed agencies of indoctrination are very successful in producing pre-specified personality types. Scholarship in this area has now achieved astonishing levels of naivete, with Marxist scholars asserting the efficacy of education as an agency of social control under capitalism (a veritable industry, this)⁽⁹²⁾ and liberals like Halsey taking communist ambition at its face value. I take both positions to be sociologistic. In my chapters on the socio-economy of education, I shall argue that the education systems of capitalism are generally not well integrated with the wider economic systems of which they are a part.

In the case of modern socialist societies, by contrast, the manifest proclamations of the school world, its intended function of introducing children to a new and emancipated value system, have little part to play in internalized social control. Social control occurs partly because of

the concerted, dovetailed action of agencies of coercive regulation, of which school is one, but also, by a supremely ironic contradiction, because of education's massive role in the process of economic decision-making. This is to say that it is the proto-capitalistic elements of the socialist education system, massively linked to the main proto-capitalist elements of socialism -- its labour market and occupational structure -- which create its effectiveness as an agency of social control. School's manifest function under socialism, the production of socialist man, runs counter to its role in the developmental strategy of socialism. This latter role is an unperceived, latent subversion of education's proclaimed role.⁽⁹³⁾

We may perhaps assume that some of the items in Marxian eschatology have been consigned to oblivion. Though money relations are less than under capitalism (a high social wage), there seems no intention to push towards real demonetization. As to the abolition of the division of labour, can it seriously be considered as still on the programme? For these reasons the contradiction between education's role as a disseminator of socialism and its promotion of the "ethos of calculative rationality"⁽⁹⁴⁾ seems likely to intensify with the passage of time. Decentralized market socialism of the Hungarian kind,⁽⁹⁵⁾ also seems likely to increase this tension, if independent managers become ever more sensitive to variations in labour productivity.

The education systems of socialism afford their student through-put huge opportunities for human capital formation. As in Western societies, the post-compulsory educand must bear the cost of foregone earnings. Every other material cost -- though not, of course, psychic cost -- is borne by the state. The much wider range of capital decision-making available to Western citizens, anxious either to perpetuate their place in the social hierarchy, or rise in it, are under socialism intensively channelled into one medium: school, either conventional or party. In this respect human capital formation may be more, rather than less, significant in socialist society. The brilliant young man may not be able to make himself a millionaire, but he can become a top manager or party boss.

Even where the spread of earnings is narrower than under capitalism,⁽⁹⁶⁾ this centrality of school success as the indispensable pivot of social success, remains intact. Indeed, such a relative narrowing may not disturb, may even enhance the centrality. The fierce competition, via education, for scarce places in the sun, is a commonplace of contemporary analysis of Third World countries.⁽⁹⁷⁾ In any case, under socialism, there are the massive intangibles. We, for whom reserved shops are an incomprehensibly offensive notion, and for whom access to foreign travel is commonplace, may find it hard to grasp the massive attraction of these intangibles in socialist society.

We thus attribute the efficacy of educational and social

control under socialism to two main influences. First, there is the massive coercion which seems indispensable to socialist society. The sterile and tyrannical police states so brilliantly explained by Kolakowski,⁽⁹⁸⁾ are an outcome of the imposition on society of a scientific ideology. The old adage about socialism -- that it is "all right in theory but all wrong in practice" -- is actually nonsense. The tyranny of the practice vitiates the theory. It is a wrong theory.

Secondly, apart from some small-scale private capitalism,⁽⁹⁹⁾ and the clandestine capitalism of the unofficial sector,⁽¹⁰⁰⁾ education is the main "capitalistic pathway" to socio-economic success. The outcome is clear. A conformist educational biography, docile and supine beyond the bitterest indictments of Western education advanced by Althusser,⁽¹⁰¹⁾ or Bowles and Gintis,⁽¹⁰²⁾ is the sine qua non of socialist educational success. Capitalist activity, banished from much social life by ideological fiat, reasserts itself in another guise. Chassez le naturel, il revient au galop.

The education system is, therefore, an effective agency of socialization, but the principles into which it socializes the young citizenry are not those of classless officialdom, but rather the class values of the occupational structure. However, as we argued in an earlier chapter, class is a derivative phenomenon. It is a product of the market. Wiles points out that there is a labour market in socialist

societies. (103) In this sense it would seem that Bauman's antithesis "Officialdom and Class" might be better expressed as "Socialism and the Market". I personally incline to the view that the education systems of modern capitalism are not numbered among its most capitalistic phenomena, being removed as they are from market principles. (104) Under socialism, by contrast, which possesses only proto-capitalist phenomena, the education system is among the most notable of such phenomena.

The logic of rationalization is not dispensable in industrial society. Max Weber has proved an incomparably better guide to industrial society than has Karl Marx. (105) Socialist society has succeeded, in considerable degree, in suppressing the capitalist ethos in the deployment of physical capital, and in the distribution of goods. At the same time, socialism has engendered a "human capital order" which may be even more vital than is the case under capitalism.

We are, of course, speaking of educational human capital formation. The sources of human capital formation through migration and job-search, for example, may well be far less significant under socialism than under capitalism. Whatever the range of human capital decision-making currently allowed to the citizens of socialism, we may doubt how far the system is capable of spontaneous stability. The citizen who is allowed to accumulate capital in his personal productivity might well, were the coercive control structure relaxed, seek to accumulate private physical capital too. The general dilemma is not a new one in socialist society,

and it is to a brief discussion of the abiding contradictions of the oldest socialist society that we now turn.

Western writers, Marxist or otherwise, vary considerably in their views as to the relationship between Soviet reality and Marxist theory. Such variety takes a number of forms. Kolakowski believes that Marxism is dead in Eastern Europe, a matter of mere cynical lip service.⁽¹⁰⁶⁾ The late Carew Hunt held that communist governments genuinely believe in Marxism.⁽¹⁰⁷⁾ Polaczi Horvath holds that schizophrenia obtains in communist society, whereby belief is genuine, but the communist leadership systematically employs Marxism as an ideological smokescreen for its activities.⁽¹⁰⁸⁾

Baran and Sweezy take modern Marxist states, evidently, to constitute genuine socialism.⁽¹⁰⁹⁾ Bowles and Gintis deny that communist societies constitute a genuine application of Marxism,⁽¹¹⁰⁾ as does Harry Braverman.⁽¹¹¹⁾ Kolakowski regards modern communism as, in part, an outgrowth of Marxism as the "greatest fantasy of our century".⁽¹¹²⁾ David Thompson held that the nemesis of the one-party state is self-destruction, and the price of absolute power, absolute corruption.⁽¹¹³⁾

There are very real problems involved here. In one sense late Tsarist Russia was too primitive to constitute a test for Marxist theory. In another sense it was too advanced for subsequent development to constitute a test for socialist practice. In general though, I would argue that Soviet Russia must furnish some kind of empirics for

Marxism and socialism. It has a predominantly nationalized capital stock, private enterprise on the Western scale is absent, and above all, Soviet Russia has been there for two-thirds of a century. One understands the difficulties which face humane and sensitive Marxists, of course. There is a vast evidence for the view that Soviet Russia has been the most murderous regime that has ever existed.⁽¹¹⁴⁾

Personally, I would not flinch from an argumentum ad hominem here. This is to say that I detect a connection between the intolerance of Marx's terrible genius, and the institutionalization of intolerance which institutionalized Marxism also implies.⁽¹¹⁵⁾ This view seems less absurd than the psychologism that the corruption can be explained with reference to Stalin's malignant personality. This latter explanation is truly absurd, ignoring as it does the impeccable personal testimony of Bertrand Russell, that Lenin himself was a sadistic murderer.⁽¹¹⁶⁾ It also ignores the sociological question: what sort of social system is it which can engender a rule like Stalin's?

Another frequently encountered argument is that Russian communism is historically continuous with previous Russian policy. One could cite, for example, Marx's remark that the perpetual lode star of Russian policy is world domination, or Hannah Arendt's view that modern communism is incomprehensible outside the tradition of Pan-Slavism.⁽¹¹⁷⁾ Our attention is drawn to Russia's consistent drive to the ocean margins, her consistently cautious policy of grabbing

the weak, of occupying power vacua rather than engaging in frontal confrontation with the strong. Perhaps above all there is the continuous cynicism and remoteness of Russian government, possibly a legacy of Mongol hegemony. (118)

Much of this historical argument is convincing. History is the record, however problematic our interpretations, of what happened. Indeed, conventional historiography may be celebrated as against Marxism, this latter being in some respects the study of what, in a fit of dialectical absentmindedness, forgot to happen. But is there not, behind all this, a lurking counter-factual which requires answering? We know that Russia has become an industrial super-power under a proclaimed Marxist aegis. We also see, as Wiles points out, that in terms of growth, full employment, inflation control, the system "works" comparatively well. (119) It does not work well in terms of comparative living-standards, individual freedoms, a deep structure of internalized control. The counter-factual question is this: would not Russia have become an industrial super-power under any conceivable dispensation? (120)

Turning to the question of human capital formation, I also ask: if human capital formation has been indispensable in Soviet industrialization, what light might human capital formation as a phenomenon, shed on the fascinating question of developmental sequences in history?

I incline to the Weberian view that the future is open, and that accordingly the past has no logical necessity.

Thus Rostow's position is unsustainable.⁽¹²¹⁾ The Soviets have continued the process of Russian industrialization, and given it the contingent, dispensable, and probably ultimately unviable form, of messianic despotism. They have assiduously perpetuated the continuity of that autocracy which seemed in process of dissolution in the last Tsarist years, an autocracy which might have been radically attenuated had industrialization taken a capitalist form.

As Kemp has said, the dilemma facing the late Tsarist autocracy was that the processes of industrialization that the regime must needs initiate and secure if Russia were not to be eclipsed by the modern powers, were the very processes which threatened the basis of the autocracy.⁽¹²²⁾ The liberalizing tendencies of late Tsarism might have constituted an answer, but they were not given time to consolidate. For they were crushed in their infancy by a new corporatism, based on false science and unrealizable messianic ambitions, whose drive to the millenium has inevitably been backwards in terms of the structure of social control. The unlooked-for answer to the compulsive paradox of Tsarist Russia has been the twentieth-century Marxist state. Is it conceivable that the vast imperial ambitions of Russia could have been maintained under a liberal order, for example?⁽¹²³⁾ Only a further extension of an administrative system already weakly classified in relation to society and economy generally, and a further strengthening of frames on

the citizenry already unimaginably strong by the standards of Western society, could secure the essential policy objectives. Using a borrowed technology and sweating a surplus out of the masses for investment purposes, analogous to the consumable surplus the aristocracy had previously extracted from the peasantry, the new Tsars, Lenin, Stalin and their heirs, have sought to prevent the appearance of those harbingers of liberalism, the industrial bourgeoisie and the independent middle classes, social groups which inevitably celebrate what we have called the "market code". The communist leadership has achieved a disenfranchisement of the masses without parallel in any advanced capitalist society. The system is an unholy blend of neo-serfdom and imitative technology, functioning, to the disbenefit of its economic and administrative efficiency, as Wiles points out, like a crude application of Weber's path-breaking but excessively formalized model of bureaucracy. (124)

The further development of the Russian economy requires precisely a withdrawal and sharper classification of "officialdom", the dismantling of coercive, external frames on the selection, organization, timing and pacing of socio-economic activity by the citizenry. A free mobilization of capital, physical and human, will be required if Russia is ever to rival or surpass the West in technical innovation or affluence. What late Tsardom embraced only hesitantly, the Marxist regime was able to postpone through the erection of a Leviathan state surpassing even that of the Incas in

its ubiquity. It was able initially to suppress the emergence of a human capital order, because the early stages of industrialism are not particularly skill-intensive. But the requirements of mature industrialism are precisely those perceived by Max Weber -- the complex of processes he called "rationalization".

Thus there is a self-generating time-bomb in the works of the socialist machine, a self-augmenting dysfunctionality, fuelled by the contradiction between officialdom and class. The murderous dream of a society without hierarchy is at war with an ambition for affluence. Were socialist societies satisfied with what they can do, namely manage high growth rates, with a form of full employment, at relatively low levels of inflation, such that the worst excesses of primary poverty can be transcended, there would be no problem. The socialist dream, however, also involves super-abundance and freedom. All the evidence, as Wiles says, is that the latter cannot be squared with socialism.⁽¹²⁵⁾ Cannot a good case be made that affluence, too, is not easily within the socialist grasp? Affluence is fundamentally the outcome of capitalism.

An indispensable concession to the logic of development in Russia has been the emergence of a human capital order. We may propose that such an emergence carries within it the seeds of a more generalized capitalism. Does Marx's developmental triad have its antithesis and its synthesis the wrong way round? The classic sequence: agrarianism,

capitalism, socialism, should perhaps be restated:
agrarianism, socialism, capitalism. The spectre haunting
socialism is the spectre of capitalism. Have the architects
of the Gulag Archipelago deprived long-suffering Russia of
her birth right? Is the emergence of irrepressible human
capital formation in Soviet Russia, a hopeful augury that
this great nation will one day assume her rightful place
among the free peoples? Perhaps the greatest irony of the
twentieth century will be that socialism, imposed by
dedicated ideologues in circumstances which violated all
the central canons of Marxism, will prove a mere episode
in the transition between agrarian and industrial society.
Human capital formation may serve as the grave-digger
of the socialist order.

R E F E R E N C E S

1. Popper, Sir K. Conjectures and Refutations, Routledge and Kegan Paul 1963, chapter 16. Popper's point is that society is endlessly changing and non-repetitive, and that social wholes are not empirical realities but theoretical constructs (p.341).

According to Bryan Magee, Popper's position is that insistence on preliminary definition leads to an infinite regress, as each term introduced, itself requires definition, and so on. See Magee, B. Popper, Fontana 1975, pp. 34, 49, 106. My view is that we must nevertheless sort out some of the main terms of the argument, certainly in subjects like comparative sociology, which are still at a primitive taxonomic stage. After all, one knows what Popper means by the "Open Society". What he does not mean is a fascist or communist society.

2. Deeply offensive to socialists though this realization may be, it is not now an unusual position. See Goldberg, G. W. "The March of Statism" in Encounter, November 1976, p.8.

3. I would draw the reader's attention to the fact that these terms do not figure in this thesis.
4. Koestler, A. The Yogi and the Commissar, Cape 1947, pp.223-4.
5. Johnson, P. "A Brotherhood of National Misery" in New Statesman, 16th May 1975, p.652. "Socialism expresses the essential unity and common humanity of society -- our sisterhood, our brotherhood."
6. Hobsbawm, E. Industry and Empire, Weidenfeld and Nicolson 1968, p.207. Here Hobsbawm speaks of socialism as a movement fortified in the 1930's by Russia's apparent immunity to slump.
7. Bowles, S. and Gintis, H. Schooling in Capitalist America, Routledge and Kegan Paul 1976, p.57.
8. Milward, A. S. "French Labour and the German Economy, 1942-1945: An Essay on the Nature of the Fascist New Order" in The Economic History Review, 1970, vol. 23, pp.336-351.
9. Here we are, of course, in a world of speculation. It is also possible that such societies will go communist. Anthony Giddens takes the view that early capitalism is more vulnerable to socialist revolution than is mature capitalism. See Giddens, A. The Class Structure of the Advanced Societies, Hutchinson 1973, p.280. A writer of very different persuasion also takes a similar view. See "Karl Marx and the Study of History" in Trevor-Roper, H. Historical Essays, Macmillan 1963, p.296.

10. Wiles, P. J. D. Economic Institutions Compared, Blackwell 1977.
11. Bornstein, M. (ed.) Plan and Market, Yale University Press 1973.
12. Lane, D. Politics and Society in the U.S.S.R. Martin Robertson 1978. There is a curiously muted tone in the pages dealing with collectivization (pp.69-74) and with the Purges (pp.74-81). The discussion is also skeletal in the extreme, given that the book has six hundred pages!
13. Crick, B. In Defence of Politics, Penguin 1964. Crick holds that "boredom with established truths is a great enemy of free men", p.15. He takes politics to be a system of government based on the recognition of interest clashes in society, and of an attendant need for public debate and the rule of law, p.17. In Crick's sense of "politics", of course, David Lane's book (see note 12 above) is misnamed, for the Soviet Union is not a "political" society at all.
14. Parkin, F. Class Inequality and Political Order, Paladin 1975, especially chapters 5 and 6.
15. Djilas, M. The New Class, Unwin 1966. I do not accept the author's view that Marxism is a good tool for analysing socialist society. However, Djilas seems to me to capture a real sense of the despotism that attends, perhaps inevitably, such a centralized structure of decision-making.

16. Aron, R. "My Defence of Our Decadent Europe" in Encounter, September and October 1977.
17. Wiles, op. cit. chapter 10.
18. Brittan, S. in private correspondence.
19. Peter Wiles prefers it as a description of modern capitalist economies of a dirigiste kind. See Wiles, op. cit. pp. 51-53.
20. Wiles, op. cit. chapter 1). See also Karcz, J. F. "Agricultural Reform in Eastern Europe" in Bornstein, op. cit. p. 207, "the increasingly diverse nations of 'Eastern Europe' are an unruly aggregate for economic analysis."
21. Belassa, B. "The Firm in the New Economic Mechanism in Hungary" in Bornstein, op. cit. pp.347-372.
22. China is given to extraordinary lurches, as Wiles points out. Wiles, op. cit. p. 557.
23. The approaches of Cliff, Djilas, Aron and many others, are ably summarized by David Lane. See Lane, op. cit. pp. 171-202.
24. Quoted in Lane, op. cit. p.192. Aron takes "classlessness" and "totalitarianism" as mutual consequences, i.e. where there are classes there cannot be unlimited state power. Where there are no classes, state power will be unlimited.
25. Gershenkron, A. "The Stability of Dictatorships" in Continuity in History and Other Essays, Cambridge, Mass. 1968, pp.313-343.

26. For a brilliant and witty discussion of materialist interpretations of history, of the determining or otherwise role of the economy, see Gershenkron, A. "Criticism from Afar: Another Reply" in Soviet Studies, October 1977, vol. XXIX, no. 4, pp.495-505.
27. Bottomore, T. B. Classes in Modern Society, Allen and Unwin 1965, p. 57.
28. Weber, M. Economy and Society, Bedminster 1968.
29. Lane, op. cit. p.386. Wiles also stresses that in Soviet Type Economies (STE's) labour is the "only input bought on the market". Wiles, op. cit.p.298.
30. I mean by this that the more difficult it is for the citizens of socialism to augment their disposable income, the more attractive will various perquisites seem. Such relationships are perhaps inherent in socialism, since a relatively poor composition of output, involving poor quality goods and lack of variety, implies rather low living standards, even where average earnings may be high.
31. Nove, A. "Is there a Ruling Class in the U.S.S.R.?" in Soviet Studies, 1975, vol. 27, no.4, pp.615-638. These intellectuals may not be affluent. Many earn less than skilled workers. But it is from the intelligentsia that recruitment to the nomenklatura (roughly, the establishment) is made. Nove, p. 617.
32. Lane, op. cit. p. 135, Table 8a. Party policy is to increase the share of manual workers. Lane, p. 136.

33. Ibid, p.140. Evidently in Soviet Russia: "It seems the party elite has been recruited from men with relatively low social origins.... the ten leading party secretaries in 1957 all came from peasant or worker families." In a society whose structure of social control is so impenetrably centralized, it is next to impossible to know why this preeminence of men of humble birth should obtain. One man's prejudices are as good as another's, and my view is that the phenomenon is functional to the continued preeminence of the party. Certainly some distinguished writers have held this view. See Lane, op. cit. pp. 171-202.
34. Lane, op. cit. pp. 385-6.
35. Parkin, op. cit. p. 144. Parkin says that a three-stage progression, from equalization, to greater inequality of incomes, and then a reversion to equalization, has characterized Soviet Russia and the socialist states of Eastern Europe.
36. Cromwell, J. "Income Inequalities, Discrimination and Uneven Capitalist Development", unpublished PH.D. thesis, Harvard 1974, quoted in Bowles, S. and Gintis, H. Schooling in Capitalist America, Routledge and Kegan Paul 1976. See also chapter 3 of this book, which relies heavily on Cromwell's work.
37. Kolakowski, L. Main Currents of Marxism, Clarendon 1978, vol. 3, p. 528. The author's argument is that perfect equality is inherently contradictory, for its

achievement along one social dimension, say, income, is realizable only through intense inequality along other dimensions, e.g. in decision-making and access to information. The same point precisely is made by Robert Nisbet, "Equality: the Fatal Ambivalence of an Idea" in Encounter, December 1976, pp.20-21.

38. As we stressed in earlier chapters, the consensus on which human capital formation as a phenomenon depends, and to which it contributes, involves acceptance of hierarchies, such as those of skill and expertise. Government interventions, such as incomes policies, which flatten out the market registration of these hierarchies, in the form of wage differentials, are a potent source of social discontent.
39. Durkheim, E. On the Division of Labour in Society, The Free Press 1964, chapter 2: "Mechanical Solidarity through Likeness", pp. 70-110.
40. Give or take a little eschatological genuflection, the status quo is no more nor less than what is implied by "The Revolution".
41. See the terse discussion of Weber's position in Hamilton, P. Knowledge and Social Structure, Routledge and Kegan Paul 1974, p. 89.
42. Katsenelinboigen, A. "Coloured Markets in the Soviet Union" in Soviet Studies, January 1977, vol. XXIX, no. 1, pp. 62-85. The author's guess is that there are several hundred thousand speculators in the Soviet Union, p. 81.

43. Wiles, op. cit. p.565: "The perfectibility of man is not an empirical observation one would make in Moscow or Warsaw."
44. Parkin, op. cit. p.175. The author stresses that the intelligentsia wanted higher earnings.
45. Peter Wiles argues that it is not, history affording us not a single contrary instance. Wiles, op. cit. p. 462. Wiles' empirical rightness is beyond dispute. His explanation, however, is not convincing:
 "socialism is collectivist, political freedom is individualist." In my view, the only genuine collectivism is precisely an individualistic aggregation, reflecting the deep socialization of the masses, a socialization which reduces the role of coercion. In fact I find Milton Friedman's rather practical reflections on socialism and freedom convincing. Why should the socialist authorities be prepared to allow campaigners for capitalism the sorts of access to the press, and the sorts of job-security indispensable to their campaigns? Friedman, M. Capitalism and Freedom, University of Chicago Press 1962, pp.16-17.
46. Wiles, op. cit. p. 254.
47. Blaug, M. An Introduction to the Economics of Education, Allen Lane 1970, p. 102.
48. Brittan, S. Capitalism and the Permissive Society, S. B. N. 1973, p. 79.

49. Bauman, Z. "Officialdom and Class: Bases of Inequality in Socialist Society" in Parkin, F. (ed.) The Social Analysis of Class Structure, Tavistock 1974, pp. 129-148.
50. See the discussion in Lane, op. cit. pp. 171-202.
51. See Nove's discussion of the views of Mandel, Bettelheim, and Sweezy in Nove, op. cit. pp. 628-9. Mandel argues that it is in the interests of the elite to strengthen market relations.
52. Blaug, M. op. cit. p.1.
53. Parkin, op. cit. p. 149.
54. Nove, op. cit.
55. Lane, op. cit. p.502.
56. Parkin, op. cit. p.148.
57. Ibid, p. 155.
58. Ibid, p. 146.
59. Bauman, op. cit. p.140.
60. Parkin, op. cit. p. 146.
61. Nove, op. cit. p. 617 f.
62. Parkin, op. cit. p.147. The same author, however, like most writers on socialism, stresses how ambitious are such parents for their children, educationally, p.156.
63. That is to say that class is a phenomenon of the market. The reader will recall our argument in an earlier chapter that the "market code" is the dominant cultural category of capitalism, and that class is a derivative of the market.

64. Parkin notes that in Poland, according to Bauman, those with higher education (i.e. in higher occupations) are three times more likely to be party members, than those who have had only elementary education. Parkin, op. cit. p. 150. More than one hypothesis can explain this, however. It could be the party containing the occupational elite. Equally it could be the occupational elite increasingly dominating the party. The former view is the "classlessness" position of Raymon Aron. The latter is the "new class" thesis of Djilas. See Lane, op. cit. pp. 171-202.
65. Nove, op. cit. p. 616.
66. Parkin, op. cit. p. 154.
67. Ibid, p. 153.
68. Wiles, P. J. D. and Markowski, S. "Income Distribution under Communism and Capitalism" in Soviet Studies, 1970-71, vol. XXII, p. 507.
69. Bowen, H. R. Investment and Learning: the Individual and Social Value of American Higher Education, Jossey Bass 1978, pp. 447-8.
70. Lane, op. cit. p. 391.
71. The language is Bernstein's. See Bernstein, B. "Aspects of the Relations between Education and Production" in Class, Codes and Control, vol. 3, Routledge and Kegan Paul 1977: "grim obduracy", p. 126.
72. Lane, op. cit. p. 498.
73. Ibid, p. 203.
74. Ibid, p. 492.

75. Dunstan, J. "Curriculum Change and the Soviet School" in Journal of Curriculum Studies, November 1977, vol. 9, no. 2., pp.111-123.
76. Lane, op. cit. p.494.
77. O'Keeffe, D. J. "Towards a Socio-Economy of the Curriculum" in Journal of Curriculum Studies, November 1977, vol. 9. no. 2. pp. 101-109.
78. Lane, op. cit. p.499.
79. Ibid, p. 497.
80. Ibid, p. 497.
81. Ibid, p. 497. Lane is actually quite mild about what would strike most Western liberals as a travesty of educational endeavour: "Soviet children generally are exposed to more explicit political indoctrination than those in Britain."
82. Ibid, pp.497-8.
83. Ibid, pp. 498-9. See also, Bronfenbrenner, U. Two Worlds of Childhood, Russell Sage 1970.
84. Reported in The Times, 24th December 1979, p.5.
85. Bronfenbrenner, op. cit. pp. 77-81.
86. Mickiewicz, E. P. Soviet Political Schools, Yale University Press 1967. See the Preface.
87. Abercrombie, N. and Turner, B.S. "The Dominant Ideology Thesis" in British Journal of Sociology, June 1978, vol. 29, no. 2. p.149.
88. In 1977 about 10.6% of the adult population (aged over nineteen) were party members in the Soviet Union. Lane, op. cit. p. 133. Non-manual workers make up

a large proportion of total membership -- 44.4%,
 op. cit. p. 136. Within the non-manual groups
 there is a dramatic domination by educated groups.
 Between them, technical engineering workers, agri-
 cultural specialists, scientific workers, education
 and health employees, and literary and artistic
 personnel, accounted for 64.2% of non-manual party
 membership in 1976. Lane, op. cit. p.137. Lane
 points out, however, that party policy is to increase
 the share of manual workers, op. cit. p.136. The
 party elite has mainly been of humble origin, however,
 and a party career is now an avenue of social
 mobility for children from lower strata. Lane, op.
 cit. pp. 140-1, What stares us in the face of all
 this is the tension between "officialdom" and "class".

89. Public lecture, University of London, Institute of
 Education, December 1975.
90. O'Keefe, D. J. "Profit and Control: The Bowles and
 Gintis Thesis" in Journal of Curriculum Studies,
 September 1978.
91. Bernstein, op. cit. p.188.
92. Consider, for example, the vast outpourings from the
 educational faculty of the Open University.
93. Of course I cannot demonstrate that socialist education
 systems are not producing socialist man. But see
 note 43 above.

94. This is the phrase, which Mark Blaug finds ugly, in which Hamilton epitomizes Max Weber's view of the direction and nature of industrial society. Hamilton, op. cit. p.89.
95. Wiles, op. cit. pp. 254-6. The discussion is brilliant.
96. Wiles and Markowski, op. cit.
97. Dore, R. The Diploma Disease, George Allen and Unwin 1976.
98. Kolakowski, op. cit. vol. 3, chapter XIII. See especially p. 456: "under communism there can be no such thing as the rule of law, in which law acts as an autonomous mediator between the citizen and the state, and deprives the latter of its absolute power vis-a-vis the individual." We can express this in the terminology borrowed from Bernstein. There is weak, in principle non-existent, classification between state and non-state. There are massive, coercive frames on individual or group activity. Kolakowski also opines: "The only Communist regimes in the world are of the Leninist-Stalinist pattern." If only China and Cuba worshippers could grasp this!
99. The degree of this varies. See Wiles, op. cit.
100. Aron, op. cit.
101. Althusser, L. "Ideology and Ideological State Apparatuses" in Cosin B. (ed.) Education, Structure and Society, Harmondsworth 1972.

102. Bowles and Gintis, Schooling in Capitalist America.
103. Wiles, op. cit. p. 298. Labour, he says, is the "only input bought on the market".
104. O'Keefe, D. J. "Towards a Socio-Economy of the Curriculum" in Journal of Curriculum Studies, November 1977, vol. 9, no. 2, p.108.
105. For a discussion of Weber's prescience, see Aron, R. Main Currents in Sociological Thought, Penguin 1966, vol. 2, pp. 255-6.
106. Kolakowski, op. cit. p. 529. Kolakowski, in my view, at times rather underestimates the contribution of Marxist theory to communist despotism. Op. cit. vol. 3., pp. 526-7. But see also the brilliant discussion in chapter 3.
107. Carew Hunt, R. N. The Theory and Practice of Communism, Penguin 1968, p. 21.
108. Palocz-Horvath, G. The Facts Rebel, Secker & Warburg 1970, particularly chapter 5. The author speaks of the "dual personality" of communism (p.87).
109. Baran, P. and Sweezy, P. Monopoly Capital, Pelican 1968, pp. 351-2.
110. Bowles and Gintis, op. cit. p. 57. Their denial is implicit rather than explicit. What they are saying here is that "state socialist" (sic) societies are very similar to modern capitalist societies.
111. Braverman, H. Labour and Monopoly Capital, Monthly Review Press 1974, p. 22.

112. Kolakowski, op. cit. vol. 3, p.523.
113. Thomson, D. Europe since Napoleon, Longman's 1962, p.680.
114. How does one pick one's way through the huge evils of Stalin, Hitler and Mao? Perhaps one should not want to. Anyway, the crimes of the first two are well documented. For the Russian case, see Conquest, R. The Great Terror, Macmillan 1968.
115. Koestler, A. The Invisible Writing, Hutchinson 1969, pp: 33-4. "The seeds of corruption had already been present in the work of Marx: in the vitriolic tone of his polemics, the abuse heaped on his opponents, the denunciation of rivals and dissenters as traitors to the working class and agents of the Bourgeoisie. Proudhon, Dühring, Bakunin, Liebknecht, Lasalle, had been treated by Marx exactly as Trotsky, Bukharin, Zinoviev, Kamenev et alia were treated by Stalin -- except that Marx did not have the power to shoot his victims."
116. Russell gives us, in the journal he kept on his famous Russian trip, a chilling account of his meeting with Lenin. Lenin explained how he had provoked the poorer peasants against the richer, this often leading to their murder. This Lenin recounted with "a great laugh". Lenin spoke "with glee" of the advantages of harsh policies. Quoted in Clark, R.W. The Life of Bertrand Russell, Jonathan Cape & Weidenfeld & Nicolson 1975, pp. 378-9.

117. Arendt, H. The Origins of Totalitarianism, George Allen and Unwin 1958, p. 238. Arendt's view that pan-movements involve a "tribal nationalism" seems to me to go straight to the heart of the Soviet world-view.
118. Ibid, p. 223. In footnote 6, Arendt quotes from the Polish publicist of the 1840's, Slowacki: "Against the idea of England expressed by the words: I want to rule the sea (stands) the idea of Russia (expressed) by the words: I want to rule the land." In footnote 5, on the same page, Arendt quotes from the Slavophile, Danielewski, writing in 1871, celebrating the "tremendous thousand-year-old state that still grows and whose power does not expand like the European power in a colonial way but remains always concentrated around its nucleus, Moscow." Paloczi-Horvath claims that the Russian policy of centralized control over vast areas is a direct inheritance from the Mongols. Paloczi-Horvath, op. cit. p.19. Paul Johnson is another writer who sees a continuity between autocratic Tsarism and communism. Johnson, P. The Offshore Islanders, Weidenfeld and Nicolson 1972, p. 363. Wiles sees the Tsarist Imperial Bank, which was virtually a department of the Treasury, as a precursor of communist banking practice, and the officials of the Tsar as animae naturaliter Marxianae. Wiles, op. cit. p. 312.

119. Wiles, op. cit. chapter 14.
120. Strachey, J. Contemporary Capitalism, Victor Gollancz 1956, p. 195 (footnote).
121. Rostow, W. W. "No Random Walk: A Comment on 'Why Was England First,'" in The Economic History Review, second series, vol. XXXI, no. 4, 1978.
 "On occasion it may be proper to regard the course of history as inevitable ex post but not ex ante."
 It is extraordinary to find so distinguished a historian talking so crudely, If the future is open our versions of the past will always be partial and words like "inevitable" will be inappropriate.
122. Kemp, T. Industrialization in Nineteenth-Century Europe, Longman 1969.
123. Conquest, R. "The Role of the Intellectual in International Misunderstanding" in Encounter, August 1978.
124. Wiles, op. cit. p. 285. The drawback in Weber's model of bureaucracy is its excessively vertical character, its failure to examine the lateral links which human organizations manifest. But, says Wiles, the communist industrial control structure precisely maximizes the tendency for contact lines to run down and up rather than sideways. Jealousy of subordinates moving sideways is a structural feature.
125. Wiles, op. cit. p. 462.

P A R T T H R E E

HUMAN CAPITAL AND THE SOCIO-ECONOMY OF EDUCATION

The distribution of education is a
part of the distribution of wealth.

P. J. D. Wiles,

Economic Institutions Compared

CHAPTER SEVEN

. HUMAN CAPITAL AND THE EDUCATION SYSTEM:

· THE CASE OF THE MISSING ECONOMICS

Errors, like straws upon the surface flow;
He who would search for pearls must dive below.

Dryden, All for Love

So far in this thesis, we have sought to derive the sociological implications of human capital theory, in relation to such issues as the structure of social control, and the class and occupational structure. We have tried to see what human capital theory might entail both for an evaluation of the Marxist critique of capitalism and for an analysis of modern socialist society. It is time now to consider a sociology of human capital in terms of what has been its most significant theoretical and empirical field of economic enquiry -- namely the educational system in its articulation with the wider economy in advanced liberal society. We now attempt, therefore, in our last two chapters, the beginnings of a socio-economy of education.

However, before we pass to this interesting task, we must first attempt to relate the main substance of these chapters to the thesis as a whole. We now repeat, in summary form, the intellectual schema which is the main framework of argument in this thesis. I shall try to make this inherently tedious process as terse as possible.

Earlier in this thesis we identified the structure of social control in terms of a tri-partite model involving:

1. An administrative matrix, that is, a set of governmental, legal and other institutions which regulate and police the citizenry.

2. A structure of hierarchy. (1)
3. A social value consensus.

We argued that characteristic of modern liberal capitalism is the unprecedented influence of the third element in the securing of social control. So powerful is the consensus, that it permeates both the other elements. Both the state machinery and the structure of hierarchy come to be dominated by consensus, rather than, as in most societies, constituting in themselves a power-structure which dominates a largely excluded majority.

We employed Bernstein's terms "classification" and "frame", arguing that in advanced capitalist society, the administrative matrix is strongly classified vis-à-vis other areas of socio-economic life, that is, sharply limited in relation to these. At the same time, we suggested that the principal social hierarchy under modern capitalism, namely its class-structure, involves weak classification, that is, involves strata which relate to each other in terms of gradual distinctions, rather than the discontinuous divisions which characterize corporatist society, for example between noble and serf under feudalism, or party-member and non-member under socialism.

We further argued that modern capitalism is characterized by such powerful mechanisms of socialization, that it has largely dispensed with strong external frames on socio-economic action, permitting a wide range of individual discretion to citizens, on the condition of their having

strong internalized frames, that is, rules regulating socio-economic behaviour, rules which are constitutive of personality. (2)

Weak classification of the administrative matrix and strong external frames on the citizenry, indicate a highly coercive society, with a limited consensus. Strong classification of the administrative matrix and weak, external frames on the citizens indicate a highly consensual society, where recourse to coercion is attenuated. All forms of corporatist society, such as slavery, feudalism, oriental despotism, fascism, and communism, can, to a greater or lesser degree, be conceptualized in terms of weak classification between the administrative matrix and the rest of socio-economic life, in terms of strong classification between social strata, and in terms of strong external frames on general social activity. Only advanced liberal capitalist society can be characterized in terms of a strong classification of the administrative matrix, of weak classification of social strata, and of weak external frames on the citizenry.

Thus it appears that modern capitalism is a highly distinctive structure of social control. We have argued at length that the evolution of human capital formation as the marketized version of skill-formation, is indispensable to this modality of social control. We also argued that modern Marxist-socialist societies are threatened by human capital formation, which generates dysfunctions, vis-à-vis the manifest ideology of socialist society.

Human capital formation generates economic stratification which is at variance with the generally non-economic hierarchy between party members and the rest.

The issue we now must raise is: how does the educational sub-system of advanced capitalist society relate to this schema? Variations in skill-formation are useful in analysing variations in the general structure of social control. So these chapters must ask two main related questions:

1. What is the relationship between the education system of advanced capitalist society, and, respectively its administrative matrix, its structure of hierarchy, and its value consensus?
2. What is the significance of human capital formation in this crucial relationship between education and the structure of social control?

It may be assumed that skill-formation is an indispensable function of the education systems of advanced capitalist society. This is not denied, for example, by Marxists such as Althusser⁽³⁾ or Bowles and Gintis.⁽⁴⁾ Indeed, Bowles and Gintis argue that the education systems of capitalist society ensure that labour is "productive" but not "scarce".⁽⁵⁾ It is not the creation of skill which they deny; but the relevance of the concept "scarcity", the connection between skill and earnings.⁽⁶⁾ Indeed, the non-Marxist critic, Wiles, is much more critical of the notion of skill-formation as a function of education.⁽⁷⁾ His explanation of the

education-earnings nexus turns on the exiguous thesis that screening for talent via certification is the basis of the connection. However, as Layard and Psacharopoulos point out, the screening case is badly damaged by the fact that university drop-outs earn, on average, more than those who did not go to college. (8)

While the relationship between skill/knowledge and earnings remains problematic, the proposition that skill/knowledge figures in earnings, has an intuitive obviousness. In any case, however the trick is done, education and earnings are indisputably correlated. (9) As we saw in our chapter on human capital and social theory, modern path analysis provides huge statistical support for the view that education massively influences occupation and, more weakly but still decisively, influences earnings. (10)

Where we shall quarrel with Marxists, is that they considerably underplay the skill-formation aspect of schooling (denying as we saw in an earlier chapter that human capital theory provides a satisfactory account of skill-formation), and that they over-emphasize, grotesquely, the powers of schooling with regard to the affective processing of its through-put.

Just as Layard and Psacharopoulos have argued that the issue is not whether education increases earnings but why it does, (11) so I shall not be asking whether education leads to human capital formation but rather accepting that it does and seeking to derive the implications of such an

acceptance for the sociology of education itself.

We must first recognize a paradox here. Human capital theory emerged as a conceptualization of the interactions of workers and firms in the matter of industrial training, that is to say that the theory involved an analysis of aspects of the capitalist labour-market. (12) The main, subsequent development of this theory, however, had as its principal concern, one of the outputs of the education system itself, that is the output of a predominantly non-market area of the economy.

The importance of the non-market character of most education (certainly most primary and secondary education and a good deal of tertiary education too) in the advanced capitalist societies, cannot be over-stressed. Economists have partly recognized it, hence the interest in voucher schemes and other proposals for increasing individual discretion. (13) Sociologists, however, have paid it scant attention.

I would maintain that the publicly financed nature of most education in the capitalist world is an issue of cardinal importance for the sociology of education. One reason it is hard to evaluate various claims as to the key "functions" of education, is that, as Bernstein has it, education is "strongly classified" from other areas of socio-economic life. (14) An attempt will be made in these two chapters to establish the implications of this strong classification of education in the general economic life of education systems.

The point to be made directly is that the strong classification of education reduces the visibility of its economic functions. A powerful element in this strong classification is precisely the fact that education is not bought and sold on market principles but provided direct from taxation.⁽¹⁵⁾ This profoundly affects the ways in which education constitutes general economic production, as we shall see later, and in particular massively affects its role as the principal generator of human capital formation. As Dougherty and Psacharopoulos put it: "the output of the educational sector, human capital.....is only indirectly subject to the competitive forces normally responsible for the efficient allocation of resources." ⁽¹⁶⁾

The authors maintain that, in general, education systems are not efficient users of scarce resources, and this is a theme that we shall return to. We shall emphasize that the socio-economic principles which regulate the education system are not the same as those which regulate private business.⁽¹⁷⁾

If we can level one general charge against the sociology of education, it is the same one of which we earlier accused the sociological study of the professions: lack of an economic dimension in the analysis. In the case of the sociology of education, it is notable that the most widely known "economic" phrase is the pseudo-economic terminology employed by Bourdieu -- his famous "cultural capital".⁽¹⁸⁾

I would maintain that the intrusion of economic perspectives in the sociology of education is long overdue.

Much of the literature conveys the unfortunate impression that education is distinct from the economy, distinct from production. This is not the case. Education does have an output (is production) and is part of the economy itself. Education absorbs vast resources, and shows a secular tendency to absorb proportionately more, and it yields a flow of output. The difficulty is to identify this output -- this is what causes controversy among economists and sociologists alike.

The number of children and young adults passing through the system is not the output. The correct economic term here is "through-put". A through-put tells one nothing about the "people-processing" aspects of education. The output is what happens to the through-put. This the "educational production function".

Direct attempts at measuring output are extremely crude and limited. In this country we are forced to use measures of certification such as the General Certificate of Education, (19) since the state does not (yet) collect the data necessary for literacy, numeracy and other profiles. This, however, could be done, and may happen. (20)

However, though identification of output is difficult, there are overwhelming grounds for regarding education as a form of production:

1. There are literacy and school enrolment constraints on development. (21) In this general sense, education

is clearly a form of investment.

2. There is world-wide evidence that educated people earn more than less educated.⁽²²⁾ This must indicate, unless labour markets are totally irrational, that educated people are more productive, though in what precisely that productivity consists, is highly problematic. Nevertheless it is clear both that education is investment, and that a certain level of education is a necessary, though not a sufficient, condition of development.
3. Education is clearly demanded as a consumption good. As societies get richer, they demand more education for its own sake.

These central propositions have sustained an immense literature in economics. We are proposing that it is high time sociologists took account of them. Cross-fertilization between two disciplines, however, can flow both ways, and it is also arguable that economists could offer economic interpretations of hitherto sociological explanations of educations.

Let us consider, for example, the various interpretations of the functions of education presented in Earl Hopper's interesting reader.⁽²³⁾ Hopper maintains that occupational placement is the key function of modern education systems, such that a revealing educational typology can be constructed around international variations

(for example in the age at which educational specialization begins) in ministering to this functional imperative.

Hopper's proposition receives strong statistical confirmation, let us repeat, from the path analysis of writers like Psacharopoulos and Tinbergen.⁽²⁴⁾ Ioan Davies, however, wishes to accord occupational placement only a latent role in educational activity, the manifest function of school being the "management of knowledge".⁽²⁵⁾

In fact, the proposition that the dominant function of education is occupational placement and the view that the prime function is the management of knowledge, are not, strictly speaking, comparable statements. However far-fetchedly, occupational placement could be conceived as articulating not at all with the education system. The view that education involves the management of knowledge, however, is tautologous. The concept "education" actually subsumes the "management of knowledge". That is what education is.⁽²⁶⁾ The view that education is about occupational placement is theoretical, that is to say it posits a determinate relationship between two variables. The notion that education is the management of knowledge, by contrast, is old-fashioned conceptual analysis, and has nothing directly theoretical about it. Be that as it may, Dennis Smith believes that the views of Hopper and Davies are not antagonistic but complementary and can be reconciled in a sociological analysis of selective processes.⁽²⁷⁾ It may be pointed out that

Bernstein's recent work, also permits a marriage between the sociologies of knowledge and of the division of labour.⁽²⁸⁾

What is missing in these articles, as in much of the sociology of education, is a sense of the economic nature of the activities identified. All societies must allocate labour, organize the production and dissemination of knowledge, and generate systems of evaluation to these ends. In a complex modern society, with an elaborate division of labour, these activities are enormously costly. They constitute vast and in some cases unrecognized aspects of educational production.

Similar considerations apply to the standard view of the Durkheim-Parsons ascendancy, that schooling is fundamentally an agency of socialization, of societal integration. Socialization, as mediated by schooling, is itself an economic function. It both absorbs costs and constitutes production.

We suggested in an earlier chapter, that one of the characteristics of modern society is its increasingly "economic" nature. Characteristic of a society with a complex division of labour, is that both the principal aspects of cultural transmission, that is to say its affective-behavioural aspects and its skill-formation and cognitive-developmental aspects, become increasingly entrusted to a costly and specialized sub-system of society -- its education system. Bernstein has distinguished between the "instrumental"

and the "expressive" orders of socialization.⁽²⁹⁾ Another way of dichotomizing socialization is between "general" and "economic", the latter seen as a sub-set of the principles and behaviours of the former. The latter must not be identified solely with the instrumental order, for it does not consist merely in the acquisition of marketable skills and knowledge, but also in the internalizing of economic principles, above all, in capitalist society, of the core economic principles of its "dominant cultural category", the market code.

Comparable to the development of a specialized educational sub-system, is the emergence of specialized medical institutions. In both these cases a general proposition holds: costless inter-generational transmission of skills and values, mainly via the family, and costless medical activity (either in the family unit or by elderly members of the community) are largely replaced by the activities of costly, specialized institutions.

The transition is neither total nor uniform. The family retains a good part of its costless functions in affective socialization, rather less of its functions in skill-formation or medicine.⁽³⁰⁾ What we must insist on, from our view-point, is the proposition that to the extent that school is important in socialization, such socialization constitutes part of the output of the "educational economy".

To recognize the economic character of affective

socialization, of occupational-placement, knowledge-management, and the system of evaluation and certification which effects them, is not, however, to suggest that they are necessarily efficiently achieved. With regard to school's affective and cognitive functions, we shall strive to show that in many respects school is not a very efficient agency. We shall try to show that for many children, school has weak powers of general socialization, precisely because it is not efficient as an agency of economic socialization, and does not permit them, for example, successfully to engage in private human capital formation. Wiles has argued that in many cases, a much cheaper system of intelligence-testing could replace educational certification as a device for occupational placement,⁽³¹⁾ and Dougherty and Psacharopoulos, as we have said, regard education systems as highly inefficient in meeting the requirements of the labour market.⁽³²⁾

The argument of these last two chapters is that education, whatever the degree of its economic efficiency, constitutes multi-faceted economic production. It is an arena for private and social investment and for consumption. It socializes children, manages knowledge and secures occupational placement, through its extended processes of evaluation and certification. Education also generates massive employment in its own right, and as Weisbrod points out, also permits a huge increase in the female work-force.⁽³³⁾

Most of these general functions overlap with the question of human capital formation. For example, one of the manifestations of education as a source of employment, is that it reabsorbs much of its own output of human capital. The notion "occupational placement" is virtually a sociological counterpart to the economic idea of human capital formation. It is in virtue of variations in that problematic set of characteristics which employers find productively worthwhile,⁽³⁴⁾ that individuals are, variously, occupationally "placed". The socio-economic processes of knowledge-management, certification and affective socialization, are among the conditions of human capital formation, although they are also wider phenomena than the latter. Knowledge must be managed and children affectively socialized, whether or not skill-formation is enhanced in the process. One of the key ideas in these last two chapters, however, is that the successful accumulation of skill and knowledge massively enhances, for those who experience it, the effectiveness of education as an agency of socialization. It is perhaps surprising that a relatively narrow conception of educational production has obtained among the economists of education. In the case of sociologists we find an almost total failure to grasp the essentially economic nature of many educational processes. Whatever might explain these short-comings, they are certainly the reason that despite the huge growth of the sociology and economics of education,

a distinctive socio-economy of the subject has not yet emerged. Psacharopoulos argues that there has already been "a happy marriage" between the economics and the sociology of education.⁽³⁵⁾ This statement is premature. The interest sociologists now have in income as a dependent variable requiring statistical explanation, and the borrowing by economists, from sociologists, of the statistical technique of path analysis, for the incorporation of social class factors in the explanation of income, are indeed welcome. It seems to me, however, that "marriage" requires more than this. Such a metaphor suggests a real mingling of social with economic theory. This is what has not happened.

What such a mingling might permit is the addressing of the vital question: what is the character of the education systems of advanced capitalist society in relation to the character of the overall socio-economic system, specifically, how like the wider economy and society of which they are a part, are such educational systems?

In an earlier chapter on socialism, we argued that in socialist society, the education system is one of its most notable proto-capitalist phenomena, linked very strongly with the labour-market and occupational-structure. In capitalist society, by contrast, the education system is not numbered amongst the most capitalist aspects of the economy. While economists have long been aware of this,

their relatively narrow fixation on certain limited aspects of educational production, has prevented their taking full cognizance of the largely non-capitalist nature of education systems in advanced capitalist society. Economists have both neglected certain vital areas of educational production, and failed to stress sufficiently, for the benefit of non-economists, the very distinctive nature of educational production generally. Certainly in much of the Marxist sociology of education we find education systems treated as if they were very typical, in their organizational principles, of the wider capitalist economy.⁽³⁶⁾ They are not, and had this been more widely realized, it may be doubted whether Marxist interpretations of education could have achieved their astonishing popularity.

Clearly there are massive connections between the education system and the general capitalist economy. Education is linked to one of the indispensable conditions of an advanced capitalist society, namely its organization of skill-formation as human capital. I believe that Dougherty and Psacharopoulos are quite correct that the main output of education is human capital.⁽³⁷⁾ However, if this indispensable function has not been fully recognized, and in some quarters has even been denied, this reflects a general failure by scholars, both to grasp fully the distinctive character of educational production and to recognize the essentially economic nature of many of the

sociological functions attributed to education, a failure, we have argued, which in some cases applies to economists as much as to sociologists.

Economists naturally fix their attention on prices. It is this which has perhaps led them partly to ignore the economic nature of non-quantifiable aspects of educational production. The Marxists might have spotted that socialization is a key economic function of modern education systems. It is not ubiquitously a successful function, as we shall argue. Insofar as it is achieved, however, it is an economic function, that is, one which absorbs scarce resources having alternate uses. Writers like Bowles and Gintis want to link earnings with differential class socialization rather than cognitive development or skill-formation;⁽³⁸⁾ but in fact their thesis involves the relegation of the education system to a superstructural role at the behest of the corporate capitalist economy, that is to say does not see it as an actual part of the economy, and thus, paradoxically, in that Bowles and Gintis are economists, is blind to the manifold economic character of schooling.

What we encounter among the sociologists, is a widespread, man-in-the-street, prejudice, to the effect that production is about making machinery or motor-cars or food, such that the people who teach our children are not engaged in production. No contemporary economist would articulate such an argument,

but it is nevertheless arguable that a fixation on that which is measurable and quantifiable, still only partly attenuated by a recognition of intangibles, has led economists also to overlook some vital aspects of educational production.

At the same time we must stress again the very distinctive character of the educational economy. In particular, as we shall argue, the removal of education from the market economy in advanced capitalist society, results in its relatively weak penetration by the "market code". We have identified this code as the set of principles regulating the market economy and constituting also the economic core of the general societal value consensus. We have also insistently linked the market code with the widespread phenomenon of human capital formation. The strong classification between the educational economy and the market economy, however, under the conditions of modern capitalism, leads, I suggest, to the obscuring of the generally economic nature of schooling, and has the notable effect of shrouding education's indispensable function of skill-formation, in a blanket of discursive consumerism. This is a point we shall develop later.

Most sociologists of education have failed to take account of the degree of insulation between education and other socio-economic activity. This is what makes Bernstein's notion of classification so useful. They have also failed in their analyses the fundamentally economic

character of the functions of education. A compendious statement of these errors, is to the effect that they have involved both illegitimate bracketing and unjustifiable separation. The world of school has been treated as very like the world of work, which in many ways it is not, and at the same time the school system has been treated as if it were not itself an integral part of the economy, which, as we have argued above, it is. The Bowles and Gintis book, for example, commits both these sins at once, and we shall later offer a brief critique of the reproduction thesis of which these writers are among the best known proponents.

In three articles which emerged from the preparatory stages of this thesis,⁽³⁹⁾ when I began to write what, for organizational purposes, I have decided to make the last chapters of the work, I was at pains to develop the socio-economic implications of what I see as the relative autonomy of educational systems in the advanced capitalist societies. Along with this insistence on the relative autonomy of education, I tried to erect an associated critique of the Marxist thesis, so influential in the last decade, that education has the fundamental function of preserving and reproducing the capitalist order.

As we argued in earlier chapters, human capital theory is a voluntarist theory, maintaining that individual men and women make independent (non-coerced) choices about the

costs and benefits of various activities pertaining to their productivities, for example, decisions about schooling, training, medical treatments, migration and job search. Such at least, is the picture of man implied by the notion of individual human capital formation.

The paradox, of course, is that the largest single element econometricians have identified in the determination of income, is years of schooling. (40) This makes "educational human capital" the most important version of human capital. Yet the world of education is compulsory for the bulk of its population. For some children the school world is more coercive than the wider society. We shall pursue these issues later. For present purposes, we need only say that we accept the voluntarist model of man which human capital theory implies.

It is a picture wholly at variance with Marxism, which views the capitalist economy as a centralized structure of decision-making, where the bourgeoisie make the real "capital" decisions, and the masses are passive, either through coercion or indoctrination.

Ostensibly, the notion "social human capital formation" might be reconciled with Marxist theory, especially since Marxists do not generally deny the importance of skill-formation, though, as we noted earlier, they drastically underplay it. (41) Social human capital is the result of collective decisions to incur costs and benefits to enhance

labour productivity, that is to say it is effectively a question of state activity. If the Marxist thesis that the state is the instrument of bourgeois capital were convincing, then social human capital could be claimed as a notion consistent with Marxism, in a way in which individual human capital is not.⁽⁴²⁾ The simple drawback of this unlikely reconciliation is the extreme vulnerability of the view that the state is the agency of bourgeois capital. We argued, in an earlier chapter, that the state in capitalist society is the only state in history which is not the creature of one predominant interest and one alone. In these two chapters, we shall argue that this view can be fortified by an examination of educational processes.

I believe that in the case of education, as elsewhere, a sociology of human capital can throw light on the central questions of the class-structure and its relationship to the state. It is alleged by many that the education system is the agency of the bourgeoisie, a state apparatus, part of the octopus-like growth of the corporate state. There now exists a vast, and in my view for the most part, inferior literature to this effect.⁽⁴³⁾ One eminent writer, by contrast, views the world of school in Great Britain as fundamentally an agency of continued gentry hegemony.⁽⁴⁴⁾ I shall argue, not only that the thesis of bourgeois educational control is false (the thesis of gentry hegemony

is even more tenuous) but that a socio-economy of education supplies further support for the view that there is no ruling-class in advanced capitalist society, no one social group with incontestable control over the state.

One of the reasons so many writers on education have espoused extreme one-sided views, is that their arguments have been predicated on reductionist perspectives. I have stressed the dangers of reductionism throughout this thesis. However, in preparing this chapter, I have benefited considerably from reading an unpublished paper by David Hamilton. (45) Though his text is terse and provisional, it nevertheless seems to me to mark the opening of a most fruitful direction for the socio-economic analysis of education systems. It will not be tedious, therefore, to note some of Hamilton's main points. None of his positions seems to me hostile to the thesis I am arguing here. Nevertheless, I restrict myself to noting only those especially germane to my case.

He is first of all, hostile to any form of reductionism, which, however, he equates mainly with biological reductionism. (46) For example, Bowles and Gintis, he says, build heavily "upon the presumption of a correspondence (or symbiotic) relationship between 'school-structure and job structure.'" (47)

In fact, I would argue, biological reductionism is only one version of a general error. The most common reductionism

in sociology. is sociologism, against whose dangers Brian Davies warns us. (48) Similarly, the base-superstructure metaphor, so common in the Marxist sociology of education, is a version of economic reductionism. The metaphor itself derives from engineering or architecture, the analogy involving the economy seen as a sub-structure or foundation to which the "non-economy" is superstructural. Thus a critique of Bowles and Gintis' work, as reductionist, needs no biological accretion. Their book is actually a vast attempt to give empirical substance to the base-superstructure metaphor, and is thus doomed to theoretical illegitimacy on the grounds of economic reductionism. This is true, despite the fact that their general mode of argument is sociological rather than economic. (49)

Hamilton rightly complains of Bowles and Gintis' attempt to explain classrooms in terms of factories. Their argument, he says, derives "from the use of a circular rationale which, in turn, is confirmed through the initial selection of conforming instances". (50) I have myself made a similar point, when I noted that Bowles and Gintis omit to deal with the widespread phenomenon of truancy, since this is so uncongenial to their argument. (51)

Most importantly of all, Hamilton argues that it is essential that the socio-economic analysis of education should examine "not only the correspondences but also the inconsistencies, contradictions and non-correspondence relationships of education." (52) This is a point I have made. (53)

Hamilton makes it within a more elaborately worked-out case.

Hamilton stresses the need to distinguish "aspects from entities".⁽⁵⁴⁾ For example, "hidden curriculum" is not a separate entity from "visible curriculum" but an aspect of curriculum, just as curriculum is an aspect of some other phenomenon.⁽⁵⁵⁾ Here Hamilton starts to lurch into a Hegelianism of a kind I feel disinclined to follow. I mean by this, that he starts to construct a sort of dialectical "chain of relations" à la Hegel and Marx. The initial point, however, is well-taken, especially his view that "factories and schools can be analysed as centres of production",⁽⁵⁶⁾ and in his claim that to locate the mainsprings of educational change outside the education system, as do Bowles and Gintis, is "to deny that education has any economic significance".⁽⁵⁷⁾ Much educational analysis, Hamilton says, involves "false polarities" such as "education" and "economy".⁽⁵⁸⁾ I repeat that while education is part of the general economy, it is a distinctively different part, whose distinctiveness can be illumined by the concept "autonomy".

The proposition that there are significant degrees of autonomy in the education systems of advanced capitalist society, is not new. However, it has been rather pushed aside of late, either effectively ignored, as by Bowles and Gintis, whose version of the base/superstructure metaphor

assigns to education a passively mechanistic role, (59)
or dropped in a logical no-man's-land as by Althusser, (60)
or reassigned a meaning quite opposite to its normal use,
as by Bourdieu. (61) I maintain that an examination of
educational systems such as our own, reveals, not only the
continuing relevance, but the theoretically indispensable
character, of some such terms as "autonomy" or "independence".
It is to a defence of this proposition that we now turn.

In the next chapter, I shall argue that human capital
formation is indeed the very essence of the nexus between
education and the wider society, though in a way rendered
extremely complex and problematic, by the very autonomy
of education that we are proposing.

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1. In a capitalist economy, this structure of hierarchy involves, above all, a class-structure, based on market relations.
2. Brian Davies rightly draws our attention to the momentous and independent discovery by Durkheim and Freud that society does not merely externally coerce and encourage individuals, but also internally constitutes them. Davies, B. Social Control and Education, Methuen 1976, p. 29. This insight has sat at the very heart of twentieth-century functionalist sociology. My view is that while the logic of the insight is unassailable, scholars have not been sufficiently alive to historical variations in its cogency. The insight is true in all eras; but more true in some than in others. For example, it is more true of liberal capitalism than of corporatist society.
3. Althusser, L. "Ideology and Ideological State Apparatuses" in Cosin, B. (ed.) Education, Structure and Society, Penguin 1972, p. 245.

4. Bowles, S. and Gintis, H. Schooling in Capitalist America, Routledge and Kegan Paul 1976, p. 56 and p.109.
5. Ibid, p.114.
6. Ibid, chapter 4.
7. Wiles, P. "The Correlation between Education and Earnings: The External-Test-Not-Content Hypothesis (ETNC)" in Higher Education, vol. 3, no. 1, 1974, pp.43-57.
8. Layard, R. and Psacharopoulos, G. "The Screening Hypothesis and the Returns to Education" in Journal of Political Economy, Sept./Oct. 1974, p.990.
9. Blaug, M. "The Correlation between Education and Earnings: What does it signify?" in Higher Education, Feb.1972, pp.53-76.
10. Psacharopoulos, G. and Tinbergen, J. "On the Explanation of Schooling Occupation and Earnings: Some Alternative Path Analyses" in De Economist 126, Nr. 4, 1978, pp.505-520. The sample the authors draw on is quite large -- more than five and a half thousand male employees in the U.K., p. 506.
11. Layard and Psacharopoulos, op. cit. p.988.
12. Becker, G. S. Human Capital, N.B.E.R. 1964
13. Friedman, M. Capitalism and Freedom, The University of Chicago Press 1962, chapter 6, especially pp.89-107.
14. Bernstein, N. Class, Codes and Control, Routledge and Kegan Paul 1977, vol. 3, chapter 8.

15. Milton Friedman remarks how taken for granted is this removal of education from the market. Friedman, op. cit. p.85. Friedman also uses the entirely appropriate term for this situation, namely "nationalization", p.90.
16. Dougherty, C. and Psacharopoulos, G. "Measuring the Cost of Misallocation of Investment in Education" in The Journal of Human Resources, vol. XII, no. 4, Fall 1977, p.456.
17. For a discussion of the curricular implications of this, see O'Keefe, D. J. "Towards a Socio-Economy of the Curriculum" in Journal of Curriculum Studies 1977, vol.9, no.2, pp.101-109.
18. Bourdieu, P. and Passeron, J.C. Reproduction in Education, Culture and Society, Sage 1977, pp.73-76.
19. This was the procedure adopted, for example, by Maureen Woodhall and Mark Blaug. For an account of their work, see Blaug, M. An Introduction to the Economics of Education, Allen Lane 1970, pp.270-278.
20. Indeed, more than the first glimmerings of such a development are already apparent. There is, for example, the Curriculum Research Unit recently established jointly by the Hansard Society and the University of London Institute of Education. There is also the Assessment of Performance Unit (A.P.U.) recently established by the Department of Education and Science.
1. In fact, something like a 40% literacy rate and a 10% primary enrolment rate, seem to be necessary,

though not sufficient, conditions of sustained economic development. See Blaug, An Introduction to the Economics of Education, pp.64-65.

22. Ibid, p.1.
23. Hopper, E. (ed.) Readings in the Theory of Educational Systems, Hutchinson 1971. For Hopper's own view, see chapter 5: "A Typology for the Classification of Educational Systems".
24. Psacharopoulos and Tinbergen, op. cit.
25. Davies, I. "The Management of knowledge: a critique of the use of typologies in the sociology of education" in Hopper, op. cit.
26. Obviously knowledge is also managed by other agencies, such as the family, and the mass media.
27. Smith, D. "Selection and knowledge-management in education systems" in Hopper, op. cit. chapter 7.
28. Bernstein, op. cit. chapters 5, 6 and 8.
29. Bernstein, op. cit. chapter 1, p.38.
30. For a good survey of the controversial literature in this area, see Morgan, D. H. Social Theory and the Family, Routledge and Kegan Paul 1975.
31. Wiles, op. cit.
32. Dougherty and Psacharopoulos, op. cit. p.456.
33. Weisbrod, B. in Blaug, M. (ed.) The Economics of Education, Penguin 1968, vol.1, p.173.

34. Blaug, "The Correlation between Education and Earnings".
35. Psacharopoulos, G. Education and Work, International Institute for Education Planning 1978, p.19.
36. For an obvious example, indeed one predicated on the similarities between school and the wider capitalist economy, see Bowles, S. and Gintis, H. Schooling in Capitalist America, Routledge and Kegan Paul 1976.
37. Dougherty and Psacharopoulos, op. cit.
38. Bowles and Gintis, op. cit. chapter 4.
39. See reference 17 above. See also: O'Keefe, D. J. "Profit and Control: the Bowles and Gintis Thesis" in Journal of Curriculum Studies 1978, vol.10, no.3, pp. 251-261, and O'Keefe, D. J. "Capitalism and Correspondence: a critique of Marxist analyses of education" in Higher Education Review, vol.12, no.1, Autumn 1979, pp. 40-54.
40. Perhaps I may draw the reader's attention once more to the contention of Psacharopoulos and Wiles, that the rejection of this connection by Jencks et al, turns on faulty methodology. See Psacharopoulos, G. and Wiles, P. "Early Education, Ability and Earning Capacity", L.S.E. mimeo, p.2.
41. See references 3 and 4 above.

42. See O'Keeffe, "Towards a Socio-Economy of the Curriculum", p.102. ".....education in a capitalist society is seen as providing the skills and social docility necessary for the reproduction of the social relations of production. In this case, investment in the majority of the population is undertaken in the interests of a minority."
43. There is a very great range of work one could refer to here. A good example is Clarence Karier's "Testing for Order and Control in the Corporate Liberal State" in Dale, R., Esland, G. and Macdonald, M. (eds.) Schooling and Capitalism, Routledge and Kegan Paul 1976, pp.128-141. Karier's very title is absurd, for, to parody Hobhouse, insofar as society is a "corporate state" it is not "liberal"; and insofar as it is "liberal" it is not a "corporate state".
44. Musgrove, F. "Curriculum, Culture and Ideology" in Journal of Curriculum Studies 1978, vol. 10, no. 2, pp. 88-111.
45. Hamilton, D. "Correspondence theories and the promiscuous school: problems in the analysis of educational change", University of Glasgow, Department of Education mimeo, 1978.
46. Ibid, p.2.
47. Ibid, p.2.

48. Davies, Social Control and Education, p.8.
 "..... the social is not exhausted by sociology
 let alone captured by a single sociological approach."
49. O'Keeffe, "Profit and Control", p. 259.
50. Hamilton, op. cit. p.3.
51. O'Keeffe, "Profit and Control", p. 259.
52. Hamilton, op. cit. p.3.
53. O'Keeffe, "Capitalism and Correspondence", p.43. Thus,
 "The discontinuities, the mal-correspondence between
 education and other aspects of society are as
 interesting and illuminating as the correspondence."
54. Hamilton, op. cit. p.4.
55. Ibid, p.4.
56. Ibid, p.4.
57. Ibid, p.5.
58. Ibid, p.6.
59. O'Keeffe, "Profit and Control", p. 255.
60. In Cosin, op. cit. pp.246-248. Althusser's base,
 securing "determination in the last instance" of the
 superstructure, is intellectual trickery. Either
 the base determines the superstructure or it does
 not. The milder proposition that men's ways of
 producing profoundly influence their ideas and
 practices is, as Kolakowski points out, true but
 commonplace. Kolakowski, L. Main Currents of
 Marxism, Clarendon 1978, vol. 1, p.364. I would

add that this weaker version cannot be stated in theoretical form, and has nothing to tell us either way about institutional autonomies. Engels' original formulations are equally unconvincing. They are to be found in his letter to Conrad Schmidt, 5 August 1890, and in his letter to Joseph Bloch, 21 September 1890, quoted in Kolakowski, op. cit. pp. 339-340.

61. Bourdieu and Passeron, Reproduction, p.4. The authors argue that education depends on power relations. Its "autonomy" derives from its function of masking and adding to those power relations. This argument seems to me incoherent. Whether it is so, or not, it certainly involves a use of the word "autonomy" quite distinct from normal usage.

CHAPTER EIGHT

CONSUMERS AND CAREERISTS: HUMAN CAPITAL

AND THE MIDDLE-CLASS EDUCATIONAL ASCENDANCY

Full many a gem of purest ray serene,
The dark unfathomed caves of ocean bear.

Gray's Elegy

The pluralistic approach to the analysis of social stratification in advanced capitalist society, while it has long enjoyed a general Weberian-style appeal, has always lacked a sharp economic underpinning. This thesis has sought to argue that human capital theory is the missing economic cement of such various intellectual edifices as Weberian and functionalist sociology. Hitherto, whatever the apparent deficiencies of Marxist approaches, they have tended to rest on a more definite economic basis than their rivals. They have been able to draw on the Marxist schema where capital and labour are conceptually discrete entities. Marxist sociology, with its predication on private property as the key independent variable in socio-economic analysis, has been able to generate theoretical relationships (relationships where variables are connected in determinate form) as to capital and social class, capital and schooling, capital and ideology, and so on.

These determinate relationships, however over-simplified and meritricious, have a graspable character which lends them appeal. This explains the popularity of relatively simplistic works like Miliband's The State in Capitalist Society. (1)

The popularity of Miliband's thesis that the state is a creature of bourgeois interests, finds a massive expression in the Marxist sociology of education, itself taking education

systems as a key element in the securing of bourgeois hegemony.

I believe that the Marxist explanation of education in advanced liberal society is a false one, as I shall try to show. Nevertheless, it has to be admitted immediately that there is a problem, very far from resolution, as to the connections between education and social structure, or, to put it in the language of this thesis, between education and the administrative matrix of society, the structure of hierarchy and the societal value consensus.

Thus nothing is further from my mind than the view that contemporary Marxist approaches to education are addressing a non-problem. I think, for example, that we are still relatively in the dark over such fundamental issues as the nature and extent of social mobility in advanced capitalist society, and of the relationship between that mobility and the educational process. Neither are we well-informed on such basic questions as the degree of alienation from school felt by children. We do not even possess, for example, basic information on the level of truancy or absenteeism in schools. The extent to which education mediates a relatively unchanging system of social stratification, as opposed to mediating a changing one, or alternatively itself is autonomously generative of change, is a question which cannot be satisfactorily addressed in the absence of such basic information and understanding.

Obviously, we are by no means entirely ignorant. A. H. Halsey argues that there has been considerable social mobility in Great Britain. (2) Frank Musgrove believes that most working-class children are not estranged from school. (3) In fact, the first claim is much more securely based than the second. I am far from accepting Musgrove's assertion. It certainly does not square with my experience of London secondary schools, for example. I would require much more detailed evidence of the degree of estrangement/attachment of children vis-à-vis the world of school before I abandoned my own anecdotal impressions. However, whatever the relative empirical state-of-play of these two issues, it seems clear that an economic sociology of education will depend, in the long run, on a detailed mapping of the terrain in question.

I would suggest, however, that a sociology of human capital can shed an informative light on the nature of the educational process. It could hardly be otherwise, given that I have already acceded to the view that human capital formation is the dominant function of education systems in advanced capitalist society. (4) I would also propose, again consistently with the repeated argument of this thesis, that Bernstein's conception of a societal complex of classifications and frames can massively illumine the issues we are addressing. (5)

That I have recognized the appeal of the Marxist case does not imply that I find it convincing. At one level, the thesis of universal bourgeois control seems merely ludicrous.

In contemporary Great Britain, for example, the trades union leadership has powerfully employed the state and legal machinery in pursuit of its interests, for example in securing 'the closed shop. Peter Wiles is just one among many eminent writers to express trepidation in the face of the formidable, even frightening posture of modern organized labour. (6)

We are involved in examining, however, a part of the administrative matrix where the trades union bosses are not very influential -- namely the education system. Neither, we shall argue, are the bourgeoisie very prominent in the world of school, pace the huge Marxist literature to the contrary. The world of school is a middle-class world. Its relative autonomy enhances its domination by the middle classes. If it fitted more flushly with the wider capitalist economy, then the influence of capitalists would be more apparent.

I am not arguing that were education bought and sold on market principles, its dominance by the middle classes would be entirely eliminated. I have earlier argued that the huge expansion of the middle classes in modern capitalist society, is predicated on human capital formation. Since I have also accepted the proposition that human capital is the main output of the education system, (7) I am driven to the conclusion that in an advanced capitalist economy, the education system, with its insistent occupational orientation, (8) will always tend to be dominated by those most successful in human capital formation. What I am arguing is that the relative autonomy of the education system, its strong classification in relation

both to other elements in the administrative matrix and to bourgeois production, enhances its middle-class character. The Marxist literature portrays the working classes as helplessly soaked in bourgeois ideology when they are at school. I argue, to the contrary, that the education systems of advanced capitalist society, deliver working-class children to the mercy of the middle classes. Education is suffused with middle-class ideology. While much of the sociology of education has also argued the educational dominance of the middle classes, it has generally offered no explanation of the provenance of such domination. The sociology of human capital, by contrast, has a relatively strong explanation of the dominance of the middle classes, namely the emergence of a human capital order.

One route into an elaboration of the view that education is a middle-class world is via a critique of the proposition that it is mainly a bourgeois one. We now turn, therefore, to a discussion of the thesis of bourgeois reproduction through education.

Malice in Wonderland: The Marxist Reproduction Thesis

The Marxist literature on education is extremely various. In some cases, the emphasis is on a detailed examination of the curricular life of schools, treating that life as problematic, that is, as requiring explanation. The work of M. F. D. Young,

for example, is of this type. While this work may properly be credited with having helped both to revive and extend the sociology of knowledge, it has always had a number of striking weaknesses, apart from its very obvious lack of a theory of social class. (9)

First, Marxian phenomenology has never managed to lower any very substantial empirical anchors. Writings like those of Young, Keddie,⁽¹⁰⁾ Postman⁽¹¹⁾ and Bartholomew,⁽¹²⁾ often reveal an anxious sifting of educational phenomena, seeking the grounds such phenomena might supply for the indictment of hierarchy. Social hierarchy is taken as in itself a despicable or undesirable state of affairs. Perhaps only those who believe that intellectual and other social hierarchies among men are not dispensable through praxical enthusiasm, and who have taught the sociology of education during the last decade, will appreciate the role played, in this kind of analysis, by the destructive vices of guilt and envy. (13)

The more strident propositions of this literature -- that working-class culture is as worthwhile as any other,⁽¹⁴⁾ that working-class language is richer and more real than middle-class language;⁽¹⁵⁾ that "intelligence" is an ideological construct rather than a differentially distributed aspect of humanity;⁽¹⁶⁾ that all knowledge is ideology⁽¹⁷⁾ -- are all both doubtful and propagandist. The first two are part of a contemporary quietism which would, if it came to inform policy, condemn millions of able working-class people to permanent inferior status, and prevent our tapping the vast

reservoir of proletarian talent. (18) In my view, the first society to devise a truly scientific pedagogy, enabling us to crack the mysterious nut of educability, will take off for the socio-economic stratosphere, by harnessing the hitherto relatively dormant creativity of the working class, by enormously expanding their capacity to engage in human capital formation.

The third proposition, that the concept "intelligence" is pure ideology, strikes not only at the roots of common-sense, but runs counter to a vast evidence. (19) The elusive nature of the idea of "intelligence", should not blind us to the overwhelming likelihood that, whatever the difficulties of identification involved, men vary cognitively, intellectually, as much as they manifestly vary in physical attributes. Does anyone seriously doubt the vast intellectual disparity between Marx and most of his followers and critics?

The fourth view, that all knowledge is ideology, is self-defeating. It is literally a meaningless statement since it can only imply that there is no such thing as knowledge. If all knowledge is ideology, what grounds are there for taking "all knowledge is ideology" as a true statement? If it is a true statement, however, it implies the possibility of other true (non-ideological) statements. The proposition is thus self-defeating. I have, incidentally, nowhere found any evidence that Marx himself held such extreme views, which would render the whole business of intellectual activity merely redundant. In fact, a presumption of all

science (and not only science) must be that there is knowledge, and we argued in an earlier chapter that it is perfectly possible for a set of propositions to constitute both knowledge and ideology.

In any case, the problem with these propositions is that it is hard to see what would count as satisfactory tests for them. The trouble with this (crudely speaking) phenomenological animadversion, is that it combines two weaknesses: it has weak empirical purchase on the reality it purports to describe, but also little explanatory power.

This second weakness is apparent in much micro-sociology. If social phenomena are swirling and indeterminate, if holistic representations of phenomena are always objectionable reifications, then the social scientist is condemned to a permanent impressionism, where one man's impressions are as good as another's. However, explanation is part of the sociological endeavour. This is why such threads of explanation as do emerge from Marxian phenomenology, do so predominantly in terms of its abandoning the phenomenological inspiration and veering towards the semi-theoretical pole of Marxism. Marxism lacks one of the essential ingredients of a science: specification of the grounds of refutation. (20) However, it retains, in part, one vital characteristic of science: explanatory power. When I agreed, in an earlier chapter, with Aron's view that Marxism has lost most of its explanatory force, (21) I did so in the sense that I regard other

socio-economic ways of explaining society as more cogent. I would not deny that Marxism has more appeal than an indeterminate introspectionism. It retains, at least, the 'ability to offer theoretical (that is determinate) relationships of the form, if A then B. (22) It is not in the least surprising that, having convinced themselves (and many of their students) that there was no such thing as structure, so many sociologists are now uncovering, with equal fervour, the workings of the corporate state. Intuiting, as they are inclined, the moral wrongness of the world as presently constituted, they had nowhere else to go. From the ashes of their de-reifying fires, there has arisen a formidably structural phoenix. (23) To parody a (grossly unfair) witticism about the United States, some sociologists have jumped from barbarism to decadence, without an intervening period of theoretical civilization.

What can we say of those who have rediscovered structure, or of Marxists who never inhabited the phenomenological wilderness in the first place? Their work has the merit, we repeat, of wanting to assert and uncover determinate relationships between variables: There now exists a vast international literature of this kind. This literature is an apologetics. The central prediction of the master's magisterial vision having been falsified, no revolutionary proletariat having yet availed itself of its historical privilege of constituting the last and definitive social class, Marxist scholars have sought in many fields to uncover the sources of revolutionary

postponement. In the field of education the most famous article is by Althusser. (24) The best known book is by Bowles and Gintis. (25) We now turn to the briefest of summaries of the latter work. (26)

The education system of the United States is an agency of the corporate state, functioning to contain and neutralize the revolutionary threat of the exploited masses. The contradiction between the potential emancipation afforded by the progressive forces of production (enormous under the technological conditions of advanced capitalism) and the reactionary social relations of capitalist production, is suppressed, in large measure, through the processing of children in the school system. School "corresponds" to work. The teacher is the analogue of the boss. The successful pupils are the counterparts to the successful managers and bosses they will become. Working-class failure in school, prefigures the lowly status and lack of autonomy in work experienced by the proletariat.

The principal mechanism in the alienation of social consciousness, is the system of certification which legitimates and reproduces the class structure. Docility and conformism, essential to the continued profitability of capitalist enterprise and to the continued political domination of the masses by big-business interests, are also, correspondingly, the key to educational success.

There are two main distinctions between this kind of

work and Marxian phenomenology. First, unlike the latter, it shows little interest in a detailed analysis of the components and dynamics of cultural transmission. It is simply uninterested in the sociology of knowledge. In this sense it is actually much less interesting than the phenomenological version.

Secondly, whether rightly or wrongly, this kind of Marxism offers a much more precise model of class relationships than does Marxian phenomenology. The latter really marks no change from the standard middle-class/working-class dichotomy of conventional sociology, though it insists that the social organization of schooling massively advantages the middle classes, and massively disbenefits the working class. In this, let it be said, it is absolutely correct.

Work of the Bowles and Gintis type, by contrast, offers a full-frontal anatomy of class à la nineteenth century. There is a bourgeoisie and a proletariat, and the interests of the former are massively mediated through schooling. More than this, Bowles and Gintis' explanation of the expansion of the tertiary sector in the U.S.A. in the twentieth century, turns on the view that the professions and other middle-class groups have been proletarianized, that is, drawn into the wage-labour system. (27) In this sense they are trying to uphold the Marxist prediction as to the increasing polarization of the class structure -- a hopeless task if our earlier chapter on the professions and our general socio-economy of stratification possess any cogency.

There are other Marxist versions. Sharp and Green combine interactionism with structural Marxism in an attempt to show, at the level of classroom analysis, how the overall structure reproduces itself through school even when "progressive" educational ideas have been espoused. (28)

Paul Willis, on the other hand, offers a much more voluntarist version of Marxism, arguing that it is working-class children who themselves adjust the school world to their knowledge of their occupational destinations, rendering it comparably chaotic, resisting and rejecting educational officialdom and its purposes, just as they will later resist the bosses and theirs. (29)

Whatever these variations, Marxist approaches all assert the generally crucial role of education in the reproduction of social hierarchy. Education is said to reflect, correspond to, reproduce, capitalism. These notions have been increasingly asserted, given the tendency, noted earlier, for the phenomenological version of Marxism to lose ground to the structural.

I have addressed repeatedly, in this work, the deficiencies of the Bowles and Gintis thesis. Similar criticism could be levelled at most of the work in this genre. The astonishing crudity of much of the argument, its mechanistic "functionalism", its lack of historical empathy, its frequent degeneration into conspiratorialism, ought to have earned it a well-merited back seat. (30) I have nowhere in the huge Marxist sociology

of education, for example, encountered a sophisticated discussion of the concept "power", and its putative relationship to private property and schooling.

Neither is the Marxist-Weberian-Durkheimian synthesis of Bourdieu, in my view, ultimately convincing. Beneath the elaborate, pseudo-geometrical layout lurk some very banal observations. (31) Some of his central vocabulary is hopelessly inadequate. His "cultural capital" is not a capital, (32) his "autonomy" is not an autonomy, (33) his "bourgeoisie" is not a bourgeoisie but an unhelpful conflation of the bourgeoisie and the middle class. (34) Neither is his view that there is no such thing as "naked" power convincing. He claims that there is always a symbolic imposition accompanying overt coercion. (35)

In the remainder of this chapter, the relative "autonomy" of the education systems of advanced capitalist society will be accorded its standard dictionary meaning of "independence". It will be argued that the examination of the interior life of education systems in our kind of society, reveals them as not remotely the creatures of bourgeois interest, but as suffused by middle-class values, interests and ideology. The autonomy of such education systems has two main sources. First, they enjoy the Western tradition of institutional competence. This means that they are strongly classified vis-à-vis other elements in the administrative matrix. There are, of course, clear variations, French governments possessing

far greater central control over education than occurs in the U.S.A. or Great Britain. However, we do not find in any advanced capitalist society, the frankly blurred boundary between education and the state which, as we saw in our chapter on socialism, characterizes East European societies.

Secondly, education systems in advanced capitalist society are in the main removed from the market economy. This leads to their being dominated, we shall argue, by an internal "administrative intelligentsia". The education systems of advanced capitalist society are above all the locus of the dominant activities of the middle classes: specialized human capital formation, and discursive intellectual consumerism. It is with the middle-class dominated occupational-structure, that education most obviously articulates. It is by a middle-class intellectual élite, not by a bourgeoisie, not by a gentry, that the world of school is shaped and directed.

The Middle-Class Ascendancy in School

When I claim that education is a "middle-class world", I am not suggesting that it is dominated by teachers as a profession. I argued, in an earlier chapter, that medicine and law are dominated by their respective occupational groups, professional in the sense that they largely control the demand for, as well as the supply of, medical and legal production. Teachers are

not professionals. They have only weak control either over the conditions of supply of educational production, or over its conditions of demand. The middle-class ascendancy in education is much looser than professional pre-eminence in the medical and legal sub-systems. The education system is "middle class" in the sense that the world of middle-class values and interests and the formal structure of cultural transmission are weakly framed. (36)

This is to say that the preoccupations of the middle class -- high-status occupational specialization and discursive intellectual consumerism -- can and do enter the pedagogical relationship. Indeed they largely constitute it. By contrast, the bourgeois world, predicated on profit-maximisation and the efficient use of resources, and the proletarian world, predicated itself on a strong frame between work and leisure, that is on a markedly instrumental, even painful view of learning, are both kept at a remarkable arm's length from schooling.

Bourgeois pre-eminence in education would require a capitalistic mode of educational production. In a world where entrepreneurs produced education as a purchasable investment or consumer good, a capitalistic industry would emerge. It would be an entrepreneurial class which produced the good in question, and we may presume that the non-educational bourgeoisie would obtain greater discretion in the definition of output. The educational capitalists would be responsive to the demands of other capitalists for particular kinds of

knowledge and skill-formation. The education industry would be linked to other industry by market forces. There are, in fact, areas of skill-formation which can be characterized in this way, for example, schools of hair-dressing. In general, however, the educational economy is not of this kind. Hence the often-noted tendency of individual educational biographies to fit far from flushly with the occupational-structure.

In fact, employers have had relatively little influence over the curricular life of schools, and have been forced to acquiesce in a system where level of educational certification has been used as a proxy for productivity. Peter Wiles has expressed discontent at what he takes to be the wanton extravagance of this situation. (37)

It was suggested in earlier chapters that in industrial capitalist society the occupational structure is the principal element in the general system of stratification. It was further argued that this involves an enormous sociological significance for human capital formation. Here it must be asserted that the divorce between education and the capitalist principles of market production not only secures the general pre-eminence of the middle classes in education, but also enhances their control of the occupational structure. Here I am taking "middle class" to mean both Bernstein's "old" middle class of professionals and senior bureaucrats and his "new" middle class of journalists, academics and so on. (38) Much of the liberal ideology of

education, especially the expansionist, optimistic attitude to education which has been so influential until recently,⁽³⁹⁾ has come from this latter segment of the middle classes. So also, has the modish Marxism which a minority of intellectuals have recently espoused. This is even more true of France than of Great Britain. In the United States a milder liberalism (understood here as implying a belief in the efficacy of state intervention)⁽⁴⁰⁾ has been the dominant mode of thinking of this middle-class segment.

Both segments of the middle class have been influential in relation to the curriculum. It would be a rewarding empirical exercise, for example, to trace the influence of the high professions on the curricular life of higher secondary education. Both segments have been influential in determining the occupational orientation of schooling. The old middle class has brought the interests of the occupational structure to bear on school.⁽⁴¹⁾ The new middle class has done this too, but has also brought the internal preoccupations of education to bear on the occupational structure.

Much of the curricular life of modern education systems substantiates this view. In Great Britain, for example, the huge expansion of the study of literature, history, economics and sociology, exemplifies the intellectual world of the new middle classes.⁽⁴²⁾ Bourgeois hegemony might have been expected to have secured an overwhelming pre-eminence

for, at one level, a curriculum likely to enhance productive capacity and innovation (for example, science and engineering) and, at a lower level, for a curriculum predicated on basic literacy and numeracy skills. Neither of these developments has occurred. While employers fulminate about low levels of literacy and numeracy, middle-class graduates in literature and the social sciences have been able, through the production of certificates as claims to employment, to convert their intellectual consumerism into a subsequent investment. (43) In this sense, the removal of the educational economy from market principles has vastly increased the general discretion of the middle classes.

I am not arguing that one could create a one-to-one correspondence between curricular routes and subsequent occupations. As Psacharopoulos points out a "whole vector of educational qualifications corresponds to a single occupational title". (44) We pointed out in an earlier chapter that many "professional" functions have little to do with occupational training. A similar point is made by Psacharopoulos, who observes that many of the doctor's functions could be performed by paramedical personnel. (45) What I am arguing is that a bourgeois pre-eminence in education might at least have been expected to have tightened, to some extent, the connections between curriculum and work. There is no distinctive economics of the curriculum, though it can scarcely be doubted that different curricular and

and pedagogic philosophies are associated with different "production functions". (46) Considerations such as these converge in the proposition that the bourgeois business preoccupation with cost-reduction and maximal efficiency have simply been absent, typically, from the world of school. It is significant that after two decades of the economics of education, for example, Psacharopoulos still has to assert that: "we must know more about the returns to education for particular fields within higher education." (47) I would only add that the same is true for lower levels, too.

We have mentioned the article by Musgrove in which he attempts to show that in Great Britain a gentry hegemony has been maintained in curricular matters. (48) His argument fails substantively, in that the only specifically gentry-inspired curriculum he refers to, is the scouting movement, which in any case lies outside the formal curriculum. (49) Musgrove claims rightly that bourgeois imperatives have not been secured. (50) He also argues, wrongly I maintain, that the middle classes, too, have been unable to generate an occupationally oriented curriculum. (51) In one sense this is merely incorrect. The curricular routes to medicine in Great Britain, for example, lie very evidently in relatively early curricular choices. (52) In another sense, Musgrove's argument is misconceived. Many middle-class groups do not want an occupationally specific curriculum. Their inclination is for discursive consumerism, a fascination for literature, history, the social sciences and art -- subjects which have

only indirect occupational relevance. (53)

What has sustained this consumerism is the fact that the certification process renders it simultaneously , an investment. (54) Very significant in the learning difficulties of many working-class children is the fact that they and their families do not share the discursive values of the middle classes. Were the market discipline more evident in school, we may take it that the middle classes would purchase less of the "consumption" subjects they find so enjoyable. In the working-class case, many unfortunate children are forced to endure a curriculum which their families would not purchase at all, had they the option. (55) This is an important element in truancy. It is perhaps the manifest irrelevance to many working-class children of social studies, literature, French, and so on, which lies behind the reluctance of many secondary children to be at school. (56) Once again, it seems likely that bourgeois educational hegemony would have resulted in a different, more instrumental curriculum.

In the British case, the popularity of sociology involves another consideration which runs counter to the thesis of bourgeois domination. In its Marxist version, sociology has generated attitudes generally hostile to capitalism. (57) It has always been mysterious to me that a capitalist "ruling class" should tolerate such activity. One might save the "bourgeois hegemony" thesis, in this case, by arguing that to contain radical thought in harmless

institutions such as universities, is effectively to neutralize and "incorporate" it. I prefer to observe the practices of dominant groups in Third World and socialist societies, which is simply to squash, where they can, such hostile activity. That it is not squashed in advanced capitalist society suggests to me that there is no ruling class. It is true that a huge Marxist persuasion, both among the academic intelligentsia and among sections of organized labour, does not seem to be inconsistent with a successful capitalist economy. The French experience makes this clear. Such a persuasion either does not threaten the ruling class, or alternatively, encounters no such class to threaten. I prefer the second formulation. The reason most societies, historically or actually, have not tolerated bodies of opinion hostile to the dominant class or stratum, is that most societies have possessed such a dominant group. The reason advanced liberal capitalist society is intellectually pluralistic, reflects not its "repressive tolerance" which contains and incorporates threats to the ruling class, but the fact that in such society there is no ruling class. In such society there remain vast distinctions of wealth, income, status and access to decision-making; but these involve multiple hierarchies which do not coalesce into one group possessing incontestable dominance over all others. Insofar as my thesis is Weberian, it has insisted on the co-existence of hierarchies (for example those of the "physical capital order" and those of the "human capital order").

Insofar as the thesis is of functionalist tendency, it has asserted the efficacy of consensus in the control structure of modern capitalism. The thesis has emphasized, in particular, the part played by human capital formation in the consensus itself.

The middle classes, characterized by their enormous accumulation of human capital, sit, it will be admitted, at the very heart of the structure of decision-making. In the case of the professions they have achieved a massive pre-eminence. In the case of what Galbraith calls the "technostructure", they interconnect with other formidable groups. (58) Here, highly qualified scientific and bureaucratic personnel overlap with traditional capitalists and with the representatives of organized labour. The latter, in particular, often involves, also, very considerable human capital formation. I am not, therefore, suggesting that human capital formation has ushered in a new ruling class. The hierarchy of human capital is a gradualist one, ranging from workers possessing relatively little human capital, say unskilled labourers, to those possessing a great deal, for example the professions, senior bureaucrats and the technostructure. What has happened is that groups rich in human capital formation have, through their pre-eminence in the occupational structure, both made that structure the main fulcrum of stratification, and prevented the bourgeoisie from constituting a ruling class. What is so striking about some areas of the modern capitalist economy

is the degree to which the middle classes have made them their own. We argued at length in our chapter on the professions that this is so of medicine and law.⁽⁵⁹⁾

We have suggested earlier that, in a different way, this is also true of the educational sub-system. Indeed what needs to be articulated is the view that while writers like Giddens are wrong, even perverse, in claiming to find a ruling class in modern capitalist society,⁽⁶⁰⁾ nevertheless within the education system itself the middle classes have achieved an astonishing pre-eminence of a kind that finds no analogue in the market economy. Let us now try to develop this latter view rather more formally.

The strong classification between education and the wider economy of which it is a part, reflects, we have said, its general withdrawal from private finance, and its inclusion within public finance. Not the bourgeoisie but some of the senior decision-makers of the occupational structure have come to define for the world of school what its curriculum should be. What must be stressed is that the higher occupants of the occupational structure are the main element in the general structure of decision-making, and that significant elements of both lie within the education system itself. By this I mean that there are very influential jobs, giving their incumbents significant access to decision-making, within the education system itself.

Now here we encounter a difficulty which precisely fortifies Bernstein's notion of an "old" and a "new"

middle class. (61) For insofar as a "technostructure" has replaced mere capitalists as the dominant decision-makers in the corporate sector of the economy, we might have expected the members of such a technostructure to favour a strictly instrumental curriculum as much or more than the bourgeoisie proper might. That such a curriculum has not emerged does indeed suggest some kind of fragmentation in the middle classes. Bernstein seems to me neither to have shown precisely where the division lies, nor to have explained its genesis. However, his view that there is such a division seems incontestable.

What we may suggest is that there is a segment of the higher occupational structure which is very weakly framed vis-à-vis the education system. This segment is the "new" middle class. The "old" middle class, for example the professions and some elements in the technostructure, have fed directly instrumental influences into the curriculum. Mathematics, chemistry, physics, biology, botany are some of the obvious examples. These groups, however, are not such as to exemplify fully the autonomy of education. The group which do express most fully such an autonomy are the "new" middle class. Their curricular vehicles have been literature, history, the arts and the social sciences. Their contribution to the autonomy of education has been their ability to have the curricular tail wag the occupational dog. For this group, as well as massively dominating the occupational structure insofar as it lies within the

education system, have succeeded in defining their discursive educational interests and achievements as relevant also to areas of the occupational structure which lies outside the education system. The principle in terms of which they have weakened the boundary between education and work is the principle of study for study's sake. This segment of the middle-class works hard at play and plays hard at work.

In control terms, the new middle class have been very successful in weakening the boundary (frame) between what may and may not enter the pedagogical relationship. The preoccupations of their non-educational world enter freely the world of school. So drastic, indeed, is the weakening of structural and control differentiation between the world of this middle-class segment and the structure of cultural transmission, that we may indeed propose that their worlds are one. For this middle-class segment, school, work and leisure are all weakly classified and weakly framed. The socio-economic anatomy of this segment is given by weak frames and weak classifications on the basis of discursive intellectual consumerism, organized as human capital formation.

From this segment is derived the educational sub-government. From this segment is derived a fluid interplay between the education system and the occupational structure. We have said that its capital base is discursive consumerism potentially or actually translated into human capital. Bernstein offers a different base for this "fraction" of the

middle class. In one essay he suggests that property has become "psychologized". (62) In another, he argues that this class is constituted (unlike the "ruling class") in terms of its direct relation to control over the means of cultural reproduction. (63)

It is not clear whether these two propositions are versions of the same proposition. What is clear is how much weaker are such versions of the basis of middle-classness than are the sociological derivations of human capital theory. In our chapter on social theory we argued that a great merit of drawing human capital theory into the analysis of social stratification is precisely that such theory seeks to explain the pattern of incomes. By any reckoning, income is a key socio-economic variable. The widening of the concept capital to include decisions about skill-formation, is a more cogent explanation of the position of the middle class than Bernstein's psychologized property or direct relationship to the means of cultural reproduction. Neither of these ideas translates into a manageable theory of differentially distributed incomes. While a sociology of "control" could be invoked to explain the various incomes of this fraction of the middle classes, (64) it is not clear how this could be incorporated into a predictive theory of incomes without the invocation of supply and demand mechanisms which in the event could explain these incomes independently, that is, would gain nothing from their being attached to the initial notions (of psychologized property or symbolic/reproductive control).

Bernstein is right that this new middle class is ambiguously located in the social structure and, intellectually, ambivalently oriented. (65) The economic principles of its intellectual life as this is constituted in the world of school, are consumption and career, the crucial significance of the latter often obscured by the ideological smokescreen which surrounds the former. The mainly middle-class consumers of educational experiences which others, non-beneficiaries, have financed, (66) justify their "regressive" curriculum, with appeals to the intrinsic worth of knowledge, the concept of the "educated man" and so on. I do not question the legitimacy of this philosophy as such. I do insist that here it is being put to ideological purpose. In particular there is the massive insensitivity of education systems to general questions of scarcity, an insensitivity compounded by the ideological pall itself. (67) The educational economy is characterized by a profound attenuation of the deep code of the capitalist market-place. In particular, we repeat, the central notion "scarcity" is largely missing. Many of one's literary and sociological colleagues, for example, are resolutely hostile to any application of cost benefit or cost-effectiveness analysis to the world of school. These techniques, which are founded on the recognition of scarcity, are essential if non-market production such as that of the education system is to be conducted efficiently. (68) If efficiency is not secured the system remains parasitic on those areas of production which are efficient. I am not

arguing that there has been no concern for efficiency in the education systems of advanced capitalist society.⁽⁶⁹⁾ Nor am I denying that many economic impulses and imperatives from other parts of the economy constantly feed into education.⁽⁷⁰⁾ I am merely stressing that the educational economy and the market economy are generally strongly classified. What we must do in the remaining pages of this chapter is to pull together the strands of this argument and attempt to draw out some further implications.

Now let us reiterate some points we have made repeatedly before. The structure of social control (or synonymously, the structure of decision-making) is misconceived when it is termed a "power-structure". Much social control in advanced capitalist society is consensual, and social action comprises many voluntarist (non-coerced) decisions, which can be termed "power" only in a Parsonian sense, where "power" is not a zero-sum game.⁽⁷¹⁾ If society were purely a coercive or manipulative power-structure (no society ever is) then education would not be "autonomous". On the contrary, it would be thoroughly "dependent".

Secondly, writers like Althusser are wrong to speak of the "capitalist" education system.⁽⁷²⁾ I contend that an adequate socio-economy of education systems in advanced capitalist society cannot even begin until we recognize, precisely, that they are not capitalist. One way of presenting the difference between the educational economy and the market economy is to say that the former is socialist or

"proto-socialist". How can we characterize the education systems of our sort of society? I will suggest here that we need do much more than merely examine the form of tenure. We need to examine also the organizing principles.

In an earlier chapter, we argued that while it is not possible to offer a finally satisfactory definition of "socialism", that we may nevertheless reasonably describe a society where the bulk of the physical capital is owned by the state, as socialist. This raises the extremely interesting question: how shall we characterize the public sectors of predominantly capitalist economies? Education systems, for example, are mainly in the public sector. How useful is the appellation "socialist" for state education?

In an article published in 1977, I did indeed suggest that the state education systems of advanced capitalist society may be thought of as socialist.⁽⁷³⁾ I would now wish to make a partial retraction, and offer the term "proto-socialist" as a description of such education systems. The issue relates to our earlier discussion of the capitalist state, where we suggested that, however understandable the fears of Hayek or Friedman,⁽⁷⁴⁾ the state in capitalist society is basically unlike the socialist state. The capitalist state is strongly classified in relation to other socio-economic activity, whereas the socialist state is weakly classified vis-à-vis the rest of society.

Education systems in capitalist society are in some ways similar to a general socialism, in other ways different.

Similarities:

1. The governing principles of the educational economy are administrative rather than market principles. The market is not the governing principle of resource allocation. The "market code" does penetrate the system, but in a weakened form. The outstanding version is the economic calculus as to career choices which Gordon and Williams have shown to be common in secondary schools. (75)
2. The education systems of capitalism, like socialist society in general, are not a sensitive vehicle for the expression of economic preferences. Like the social wage, of which they are a notable part, they compulsorily confine their populations, many of the pupils involved having little curricular or other initiative. (76)
3. For many of their children, education systems under capitalism are coercive. The children involved would otherwise not be there. (77) This is similar to the huge reliance on coercion characteristic of socialism. Shortly we shall attempt to establish the connection between this coercion and the problem of human capital formation.

Differences:

1. The education systems of advanced capitalist society, though part of the administrative matrix, are strongly

- classified in relation to the state. To put it more precisely, we may say that the education system of capitalist society, though it is a part of the administrative matrix, is strongly classified in relation to other parts. This reflects the tradition of competence and autonomy in relation to individuals and institutions which we earlier argued are an essential part of the general consensus in such societies.
7. The education systems of capitalist society are strongly classified vis-à-vis the general economy. This distinguishes them from socialist education systems, which despite their proto-capitalist character are nevertheless more continuous with the general societies of which they are a part.

Thus the education systems of liberal capitalism are both similar to, and different from a generally socialist society. It is difficult to know, for example, whether the education systems of capitalist society are more or less deeply consensual than those of socialist society. As we saw in our chapter on socialism, when a structure of social control is highly coercive, it is difficult to find an index of internalized approval. However, it may reasonably be assumed of both kinds of education system that they express in considerable degree the values of the general consensus. Children should be polite, well-behaved, respectful to grown-ups and so on.

Neither would it be sensible to argue that the exposure

of children for 15,000 hours or more is not associated with considerable internalization of the values of this general consensus.⁽⁷⁸⁾ What I will suggest, however, is that Bernstein is absolutely right that the discipline in many of our schools is highly precarious.⁽⁷⁹⁾ I have argued that education is presided over by an administrative intelligentsia; that the principles of the capitalist economy obtain in education only in reduced form; that the system is for many children more coercive than the wider society and economy; and that the education system is a middle-class world highly insulated from bourgeois production and the world of the working class. I have also suggested that the problems of educability and human capital formation are intimately connected. What I now add are the related charges that the education systems of advanced capitalism are a source both of working-class educational failure and of the massive, systematic exploitation of the working class, not because such systems are capitalist, but precisely because they are not. The working class are exploited in advanced capitalist society. This is not, however, via the wage-mechanism. The notion that this is how exploitation occurs depends on the now long-exploded Marxist theory of value. Exploitation in fact depends on fiscal mechanisms, on the shifting of resources from the private to the public sector in favour of minority interests. I speak as a beneficiary of this massive inequity. I like literature, history, sociology, the theatre. I recognize, however, that

those who do like them are massively subsidized by those who do not. It is not in the relationships of production that exploitation exists; but in the relations of expenditure. Working-class incomes are taxed to create what is for many working-class children an incomprehensible, dysfunctional and coercive experience. While many middle-class children have engaged in a veritable orgy of educational consumption (for example, the massive expansion of the study of sociology) the working classes are subjected to compulsory detention in an institution over which they have almost no control with regard to its curriculum or its pedagogic methods.

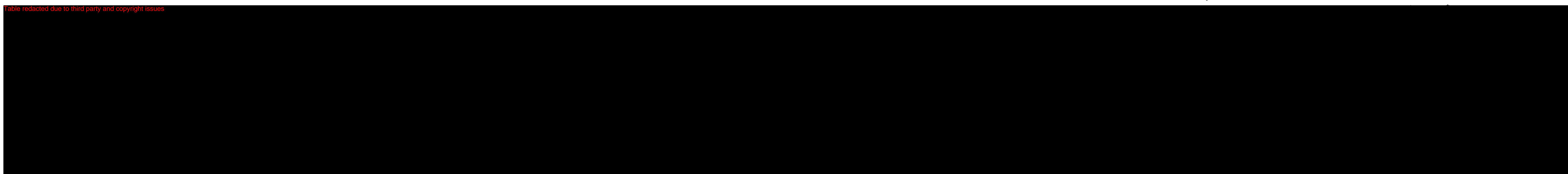
In the British case we may illustrate all this by a consideration of the 1972 ROSLA (Raising of the School Leaving-Age). Like its predecessor of 1947, this massive administrative change, involving huge direct and indirect costs, seems in no sense to have been the outcome of a bourgeois initiative.⁽⁸⁰⁾ Neither does it seem to have been subjected to a cost-benefit or cost-effectiveness analysis. This perfectly exemplifies the contention that the efficiency principles of capitalism are largely absent from school. Indeed the education system has been suffused in the last twenty years with a kind of pseudo-economic logic, pushed out by its administrative intelligentsia. The central ideas of this pseudo-logic have been bigger schools and smaller classes. Though I shall not pursue the matter I would argue that the opposite slogan is more appropriate: smaller schools

and bigger classes.

The 1972 ROSLA demonstrates perfectly the semi-coercive world of school, dominated by a small administrative elite, 'able to impose such ideologically inspired changes in face of indifference by many sections of the community and strong hostility by some. (81)

The public sectoral nature of education in the mixed economies is a main source of the "consumption ideology" of knowledge as I would term it. Behind the philosophical justification (intrinsic value) is a massive consumerism. The secular trend towards educational consumption is fortified by its principal beneficiaries' being able to off-load much of the cost onto other people.

The way in which the finance of education benefits the middle classes is clearly shown by Psacharopoulos. (82) He points out that subsidization of education always leads to higher private returns to education than is the case for social returns (a result about which he declares himself "very confident"). He gives the following figures which in the case of higher education show a massive discrepancy in favour of the private figure:



Furthermore the effect is inter-generational. For Psacharopoulos quotes Hill and Stafford as showing that where social background appears to be a determinant of the occupational

and educational achievement of individuals, and hence their earnings, it is actually the education of their parents which is at work.⁽⁸³⁾ Education begets education in a repetitive middle-class chain.

Blaug has noted that many people in Great Britain who could finance their children's education do not do so.⁽⁸⁴⁾ The reality is a transfer of resources from those who do not go to college in favour of those who do. Psacharopoulos, also, argues that poorer families effectively finance the education of richer families. It is the better-off families who send their children to college.⁽⁸⁵⁾ All this is justified in Great Britain by that quintessential Fabian and public sectoral ideological concept: the "social wage".

Behind much of the social wage lies a model of man as incompetent. This is not contradictory. While liberal capitalism has involved a widespread assumption about competence in some areas, it is also the case that the individual (especially some working-class individuals) is regarded as in some respects incompetent. The division between areas of life where people are regarded as competent or incompetent is largely arbitrary. The individual is trusted to buy his own food and clothes and consumer durables; not trusted to attend to his own children's schooling, nor in some countries, e.g. Great Britain, to attend to his or his children's health care. There is no basis for these distinctions in economic logic. School is not economically distinguishable from food. Indeed neither is an economic good; both are economic

categories. Qua category, food is the more important. (86)
 What one buys or has administered to one, however, are goods
 not "food" or "school" but chocolate or a mathematics lesson.
 For reasons which I believe are historically obscure our
 societies have come generally to administer educational
 goods but to allow people their head in the purchase of
 foodstuffs. In the one case incompetence is assumed, in
 the other competence.

There is some overlap, of course, e.g. heavily subsidized
 school lunches in many capitalist societies. The rationale
 behind this subsidization is perhaps the recognition of a
 malnutrition of composition in the home lives of some
 children, that is, people eating not insufficient food,
 but the wrong food. And indeed it takes no more than a
 trip to a supermarket to observe that some people buy very
 ill-advisedly.

For those who fear that the hypertrophy of the state is
 a mortal danger to liberty, all this needs careful thought.
 What counts as needy or incompetent and what is the incidence
 of these conditions? While welfare analysis can effortlessly
 demonstrate a case for some subsidy, since the individual
 cannot collect from society all the benefit he creates by
 being educated, it is also clear that a subsidized system
 transfers resources from some individuals to others. In
 the case of education, for example, the transfer of resources
 is from those who do not have children to those who do, and
 more importantly for this thesis, from those who do not do

well at school and leave early, to those who succeed in school and leave late.

The imperatives both of freedom and economic rationality suggest, I submit, that these issues should be carefully researched. I would not dissent from Peter Wiles' view that the extension of what he calls "state capitalism" has also been accompanied by the extension of some liberties.⁽⁸⁷⁾ But there are clearly huge dangers in the progressive removal of economic life from market regulation, especially in conjunction with the presence of ideologies hostile to freedom.

The question is: what if the proportion of the population capable of managing their lives in a market economy is greater than we have assumed, perhaps the overwhelming majority of the citizens? The consensus is overwhelming that school should be compulsory. It does not in any way follow that it should also be proto-socialist. The law requires that we insure our motor-cars. This, however, is done through the capitalist insurance market.

What is quite clear is that the marketization of education would produce a different structure of (school-based) cultural transmission. People prefer capitalism to socialism (cars to buses and trains) in the matter of transport. They might also do so in the case of school. More importantly, this question has massive implications for the central problem of educability. This question is intimately linked to the problem of human capital formation. I would propose that in

a free society (the outcomes in an unfree society are quite different) that nationalization of education simultaneously and relatedly, impairs the efficiency of its prime-function of human capital formation and diminishes the educability of large numbers of boys and girls. (88)

Now let it be quite clear that I am not denying that there are gains from proto-socialism. London may without exaggeration be termed a "proto-socialist" city. Such is the basis of its status as the cultural capital of the world. What must also be admitted, however, is that London's marvellous theatres, concert halls, art galleries and museums, also represent a massive transfer of resources from the majority who have little interest in them to the minority (and however large it is a minority) who do have an interest.

In the case of proto-socialist education similar considerations apply. The composition of intellectual inquiry is different from what a capitalist education system would generate. So is the composition of intellectual production. We have more pure science and less applied than a capitalist educational economy would secure, more discursive intellectual activity and less instrumental activity than capitalist education would generate. Our proto-socialist education advances our understanding of our history, our neuroses and the social construction of our knowledge. It perhaps impedes those technological innovations which might help the economy to break through to higher levels of productivity and efficiency. There are also good grounds

for thinking that a more capitalist ambience for education would be more egalitarian than our present arrangements, both in terms of requiring people to pay for what they choose to study, and in making available to many working-class children a much more obviously useful and instrumental curriculum.⁽⁸⁹⁾ Most citizens, and this must include the working-class majority, manage life in the general capitalist economy quite well. They handle money and bank accounts, buy houses and cars, do not get into debt. This is good prima facie evidence that they successfully internalize the principles of the market code.

In school, however, the possession of the market code is not enough. Contrary to the received wisdom about middle-class "deferred gratification" it may be claimed that it is the immediacy of the emphasis on intellectual discursiveness as what counts which deters the potentially ambitious working-class child. Like the bourgeois or the old middle class, the proletarian, especially the skilled proletarian, has a wide time-horizon. The future for him is not strongly framed from the present. Its preoccupations may enter, do enter, the present process of decision-making.

In the case of the new middle classes their cultural ideology is present oriented on the surface. Future and present are apparently strongly framed. The sordid notions of a future oriented calculus must not be allowed to profane the unfettered examination of the life-world. Behind, of course, lie a weakly framed present and future. This,

however, is not readily apparent to the working-class child. He does not possess the cultural pre-disposition which would both help him manage in a discursive intellectual ambience and facilitate his apprehension of the investment orientation which lies behind the intellectual consumerism. As Bynner has shown, the parents of working-class children are, initially, typically ambitious for them.⁽⁹⁰⁾ This ambition is progressively eroded in school as working-class children find their educability, and thus their potential for engaging in educational human capital formation, increasingly impaired. For a decade or more, sociologists have been inclined to explain working-class failure at school in terms of the capitalist-like nature of education systems. It seems to me much more probable that it is the non-capitalist nature of the educational economy which is the root of the problem.

We may summarize and conclude our extremely tentative remarks here by applying to the educational economy itself, the tri-partite model of social control which we have employed throughout. Compared to the market economy the educational economy has a relatively weak consensus. This is because it involves its detainees in a much less thorough and ubiquitous pattern of economic decision-making than does the market economy, whose denizens are, in any case, much less properly to be termed detainees. Many working-class children, since they do not understand the principles of the educational economy, do not internalize them, and are

accordingly subjected to highly coercive external frames on the conduct of their lives in school. By contrast, the pattern of their economic decision-making outside school is much more voluntarist. They conduct their trips to football matches, pop concerts and sweet shops just as they manage their paper-rounds and part-time jobs, in the spirit of the deeply internalized rule-system of the capitalist economy, the market-code. In these cases, their actions are regulated by internalized frames. The seething unhappiness and alienation, the indiscipline and truancy of many urban secondary schools are a function, not of the likeness of capitalist school to the market economy but of the strident distinctiveness of the proto-socialist school world.

The difference between the two economies is just as striking in terms of their structures of hierarchy. The cultural differentiation of the general population, which, however, is only one dimension of social stratification in the market economy, is the main principle of stratification in the world of school. What Bernstein calls the message-systems of school -- its curriculum, pedagogy and evaluation,⁽⁹¹⁾ are embedded in a discursive intellectual consumerism -- a view of knowledge quite alien to the generally instrumental notions of work which the working classes internalize from their situation in the market economy.

Finally, the administrative matrix of education is a remote and unresponsive body which merges, as we argued is

also the case in all corporatist societies, with the structure of hierarchy, into a power-grouping which excludes and coerces the working-class majority. The well-intentioned attempts (and I would not for an instant represent them as insidious) of the middle-class educational elite to enlighten the masses are doomed to failure, for they involve a view of knowledge, learning and work which are simply alien to the working-class mind.

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save the bourgeoisie, for example, the destruction of the independent professions by their incorporation within the wage-labour system.

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8. Let us repeat, from earlier chapters, that modern path analysis points unambiguously in this direction. See Psacharopoulos, G. Education and Work: An Evaluation and Inventory of Current Research, IIEP February 1978,

provisional text pp. 26-9. See also Psacharopoulos, G. and Tinbergen, J. "On the Explanation of Schooling, Occupation and Earnings: Some Alternative Path Analyses" in De Economist 126, NR.4, 1978, pp. 505-520.

9. Young, M. F. D. (ed.) Knowledge and Control, Collier-Macmillan 1971. None of the articles in this reader contains more than the embryo of a theory of social class. See also, Young, M. F. D. "On the politics of educational knowledge" in Bell, R., Fowler, G. and Little, K. (eds.) Education in Great Britain and Ireland, Routledge and Kegan Paul 1973, pp.70-81. Such writings as this reveal an agonized recoil from the ubiquity of hierarchy in social life. They actually contain no theory of capitalism as such. They possess an embryonic Marxism, which has come to devour, finally, the phenomenological components of the original mix, as we shall later see. Young has been, however, one of the most influential contemporary sociologists of education, and has undoubtedly played a major part in the revival of an interest in the sociology of knowledge. His contribution must be assessed in any consideration of modern sociological approaches to education. Nevertheless, we may argue that his work has expressed the crude working-class/middle-class dichotomy that has so disfigured much contemporary British sociology. As Musgrove has noted, there is a confusion here, as between "middle" and "top". Musgrove, op. cit. p.103.

10. Keddie, N. "Classroom Knowledge" in Young, Knowledge and Control, pp. 133-160. See also the reader edited by her. Tinker, Tailor.....The Myth of Cultural Deprivation, Penguin 1975. Keddie's introduction, pp. 7-19, was welcome in that it directed our attention to the richness and variety of cultures other than mainstream, middle-class culture. Its faults are numerous. There is the contention that there is no such thing as a cultural or linguistic deficit. To sound an Orwellian note, one might reply: it would take an intellectual to believe that! There is the standard romanticism about the militaristic despotisms, North Korea and China, p.14. There is the extreme social relativism (sociologism) as to the status of logics, pp. 16-19. This last is a huge confusion as to the difference between the origins and the coherence of what counts as knowledge. The question is not whether knowledge is socially constructed, for clearly it is. The question is the epistemological status of what counts as knowledge, that is to say, its internal logical consistency or its empirical validity.
11. Postman, N. "The Politics of Reading" in Keddie, Tinker, Tailor, pp. 86-95. The opening two sentences of this absurd article are worth quoting: "Teachers of reading comprise a most sinister political group, whose continued presence and strength are more a cause for alarm than celebration. I offer this thought as a defensible proposition, all the more worthy of consideration because

so few people will take it seriously."

To the idiocy of the first statement there is attached in the second sentence, a warning of the real threat of much "radical" thinking -- its monumental arrogance and élitism. A proposition's deserving attention is a direct function of the numbers of hearers who react unfavourably to it? This is the unmistakable voice of despotism.

12. Bartholomew, J. "Sustaining Hierarchy through Teaching and Research" in Flude, M. and Ahier, J. Educability, Schools and Ideology, Croom Helm 1974, pp. 70-85.
The title here is revealing. One knows immediately that the author is opposed to hierarchy and to anything which "sustains" it.
13. Consider the setting of the spread of Marxist approaches to the sociology of education in Great Britain. The proselytisers were university lecturers, well aware that something was (and is), indeed, drastically wrong with our schooling. The converts were an especially vulnerable group, students at low-status institutions such as Polytechnics and Colleges of Education, or teachers, often non-graduates, desperately attempting to advance their careers through qualifications obtained via the Open University or in University Institutes of Education. In some such cases, the doctrines that all knowledge was ideology, all hierarchies problematic and

offensive, were perhaps bound to seem convincing, even soothing. This was fertile territory for the spread of simplistic doctrines masquerading as social science.

The gurus felt so guilty, the epigoni so envious. The beliefs thus disseminated were in some cases held with fanatical fervour, students refusing to read or listen to anything which did not follow the line.

14. Keddie, Tinker, Tailor.
15. Labov, W. "The Logic of Nonstandard English" in Keddie, Tinker, Tailor, p. 44. Here Labov attacks middle-class speech styles: "nothing can be found behind them."
16. Henderson, P. "Class structure and the concept of intelligence" in Dale, R., Esland, G., Macdonald, M. (eds.) Schooling and Capitalism, Routledge and Kegan Paul 1976, pp. 142-151.
17. Gorbutt, D. "The New Sociology of Education" in Education for Teaching, Autumn 1972, pp.7-8.
18. Thus I find myself much more sympathetic to the views of a hard-line pro-Soviet writer, like Levitas, who clearly believes that the duty of progressive teachers is to overcome the ignorant powerlessness of much working-class life. See Levitas, M. Marxist Perspectives in the Sociology of Education, Routledge and Kegan Paul 1974, pp.146-7.
 "To expose the various ways in which the proletariat is short-changed and kept subordinate is not to label it as inferior -- it is to designate the modes of its oppression." Levitas may be a romantic ideologue about

Russia and China, see *ibid.* chapter 9. Clearly he does not share the romantic notions of working-class culture and its worthwhileness that one finds in Marxian phenomenology.

19. Blaug, M. An Introduction to the Economics of Education, Allen Lane 1971, p.34. I do not wish to enter the ferocious debate about the nature and amenability to identification and measurement of "intelligence". I wish only to endorse Blaug's view that the evidence points to a massive genetic component in intelligence. The opposition to such a proposition involves an outraged recoil from the general notion of "hierarchy".
20. Popper, Sir K. The Open Society and Its Enemies, Routledge and Kegan Paul 1963, vol. 2, p. 332. Here Popper distinguishes Marx from many of his followers who use Marxism as an irrational "metaphysical system". Marx himself at times, says Popper, seems to have welcomed scientific criticism.
21. Aron, R. "My Defence of Our Decadent Europe" in Encounter, September 1977. Aron quotes (pp. 10-11) from Alexander Solzhenitsyn's brilliant Letter to Soviet Leaders, Fontana 1974, where Solzhenitsyn tersely outlines all the central predictive failures of Marxism. Aron himself points out: "In the Soviet Union, Marxism still exists, the official ideology of a bureaucratic despotism of totalitarian character. In the West, different varieties of Marxism proliferate, all more or less

imaginary, fostering prejudices in favour of state planning and collectivized property." Thus I am not suggesting that Marxism is a good theory of anything. I am merely saying that its greater intellectual staying power than that of phenomenology is not surprising.

22. For example, bourgeois dominance in nineteenth-century capitalist society (A) is seen as the crucial factor in the establishment of compulsory education as a system of social control (B). Whether or not the theory is a good one, it is a theory. While it is true that Marxist theories involve, as Kolakowski points out, strong versions which are false, and weaker versions which are commonplace (Kolakowski, L. Main Currents of Marxism, Clarendon 1978, vol. 3, p. 524), I would not retreat from the view that, compared to phenomenology, Marxism retains some vestiges of a scientific appeal.
23. Consider, for example, the huge shifts in the work of Roger Dale and Geoffrey Esland. See Dale, R. "Phenomenological Perspectives and the Sociology of the School" in Flude, M. and Ahier, J. Educability, Schools and Ideology, Croom Helm 1974, pp. 53-69. See Esland, G. "Teaching and Learning as the Organization of Knowledge" in Young, Knowledge and Control, pp. 70-115. However, the recent reader, jointly edited by these two writers with Madeleine Macdonald, involves a frankly structural

view of Marxism. Dale, Esland, Macdonald (eds.)

Schooling and Capitalism. In these cases, the Marxism has largely swallowed the phenomenology. Where the constituent parts of a synthesis are in a respectable balance, as I would argue could be the case for a sociological synthesis between human capital theory and Weberian sociology and/or functionalism, the creative tension between, and complementarity of, the different parts, have great secular explanatory potential. Where the elements in the mix are uneven, the intellectual dalliance is soon exhausted. This, I believe, has been the fate of Marxian phenomenology.

24. Althusser, L. "Ideology and Ideological State Apparatuses" in Cosin, B. (ed.) Education, Structure and Society, Penguin 1972, pp. 242-280.
25. Bowles, S. and Gintis, H. Schooling in Capitalist America, Routledge and Kegan Paul 1976.
26. For a more detailed summary see O'Keefe, D.J. "Profit and Control: the Bowles and Gintis Thesis" in Journal of Curriculum Studies, 1978, vol.10, no. 3, pp. 251-61.
27. Bowles and Gintis, op. cit. pp. 201-223.
28. Sharp, R. and Green, A. Education and Social Control, Routledge and Kegan Paul 1975.
29. Willis, P. Learning to Labour, Saxon House 1977.
30. The Bowles and Gintis book is guilty of all these faults. That such work is so prominent is a sad commentary of the current state of the subject. See O'Keefe, "Profit and

Control". See also Clarence Karier's hysterical essay, "Testing for Order and Control in the Liberal Corporate State" in Dale, Esland and Macdonald, Schooling and Capitalism, pp. 128-141. Here Karier attempts to represent early twentieth-century American educational administration as a proto-Nazism in its psychometric procedures. At a public lecture during an Open University conference in 1976, I heard Karier deliver himself of the view that the United States is a "fascist" society. As a historian he should know that totalitarian regimes do not allow citizens hostile to the system to hold prestigious appointments, nor to travel freely, nor to attack the regime at home or abroad. There is only one word for such posturing: contemptible.

31. Bourdieu, P. and Passeron, J.C. Reproduction in Education, Society and Culture, Sage 1977. For example, we learn on p. 58: "The education system tends to equip the agents appointed to inculcate with a standard training and standardising instruments." This particular book is laid out in the form of pseudo-geometric propositions, and is written in a ferociously impenetrable jargon. The extract above, it will be seen, is nothing other than a heavy and clumsy way of saying that teacher-training tends to be standardized.
32. Ibid. p.30. "Cultural capital" means "cultural goods". This, however, is merely to replace one economic term (capital) by another (goods) without specifying why the

economic terminology is being used.

33. Ibid. p.4. It is incoherent to say that one phenomenon depends on another but is autonomous in adding to that other. Insofar as X is independent of Y it does not depend on Y.
34. This is merely standard French practice. Such looseness of language makes sociology very uncertain.
35. Bourdieu and Passeron, op. cit. pp. 9-10. These writers address social control exclusively in terms of the exercise of overt and covert power. This has two grave demerits. First, it ignores the role which consensus must always have in social control. Secondly, it exaggerates the role of symbolic imposition in societies which do rely very heavily on coercion. In many societies, I would argue, though the power has been imposed, the principles of the symbolic accompaniment have often not been acceded to by those disbenefited. It is the Red Army, not the principles of institutionalized Marxism, which secures the power-structures of Eastern Europe. It was force majeure, not symbolic imposition, which subjected the medieval peasantry to droit de seigneur. It is also, quite evidently, main force which keeps intact the structure of apartheid in South Africa.

36. Strictly speaking one could also write here of the degree of classification between the education system and different elements in the system of social stratification. We could say that the structural differentiation between the educational system and both the bourgeoisie and the working class are strong, whereas education and the middle-class life-world are weakly differentiated. This is the sort of usage Bernstein employs when he speaks of the strong classification between "education" and "production". Though in the form in which Bernstein presents this dichotomy, op. cit. chapter 8, the distinction is invalid, implying as it does that education is not production, it could be rescued by the addition of the epithet "capitalist" to the latter term. The fact that one can speak here of weak classification between middle-class school and the middle class as such, or of weak framing between the two, suggests a certain ambiguity at some levels of analysis between the concepts classification and frame. Indeed I believe that the Durkheimian (control) elements in Bernstein's analysis are much more convincingly managed than his Marxian (structural-power) elements. There is no convincing explanation in Bernstein's work of what he means by "power" and I incline to the view that it is advisable to regard "structure" as the derivative, or crystallization of the principles of "control". Such

is implied in my concept "the structure of social control".

37. Wiles, P. "The Correlation between Education and Earnings: The External-Test-Not-Content Hypotheses (ETNC)" in Higher Education, vol. 3, no. 1, 1974, pp.43-57.
38. Bernstein, op. cit. chapters 6 and 8.
39. O'Keeffe, D.J. "Capitalism and Correspondence: A critique of Marxist analyses of education" in Higher Education Review. vol. 12, no. 1, Autumn 1979, pp. 40-54.
40. Friedman, M. Capitalism and Freedom, University of Chicago Press 1962, pp.5-6. Friedman here resents, and justifiably it seems to me, the appropriation in the United States, of the term "liberal" by those who seek, not the attenuation of the state, its dedication to certain clearly specified minima of government, but its indefinite expansion in the interest of this or that virtuous cause. Though I have earlier suggested that the sociological accompaniment to Friedman's brilliant economic theorizing is somewhat crude and misconceptualized, I thoroughly endorse his view that the hypertrophy of the state is the enemy of free men.
41. O'Keeffe, "Capitalism and Correspondence", p.46.

42. O'Keefe, D. J. "Towards a Socio-Economy of the Curriculum" in Journal of Curriculum Studies, 1977, vol. 9, no.2, pp.97-109.
43. Ibid. pp.103-4.
44. Psacharopoulos, Education and Work, p.58.
45. Ibid, p.58.
46. O'Keefe, "Towards a Socio-Economy of the Curriculum", p.101.
47. Psacharopoulos, Education and Work, p.58.
48. Musgrove, "Curriculum Culture and Ideology", pp.99-111.
49. Ibid. p.107.
50. **Ibid. p.104.** Musgrove here claims that the movement known as "Ramism" attempted but failed to create a bourgeois curriculum in late sixteenth-century England. What makes one reluctant to investigate this obscure historical claim, is Musgrove's view that this failure took place "at the very point of capitalism's economic and social take-off". The man who believes Tudor England had arrived at any such juncture will believe anything as far as I am concerned. The emergence of a "bourgeois" curriculum requires, one may reasonably assume, the existence of a bourgeoisie. Sixteenth-century England did not have one. The author, however, goes on to maintain that the nineteenth-century Taunton and Clarendon Commissions were of gentry-aristocratic cultural provenance, and in this regard consistent with the twentieth-century reports of

Hadow, Norwood and Spens. Unfortunately Professor Musgrove does not here afford us the kind of textual reference which would allow us to sort out the argumentum ad hominem ("The point about Clarendon and Taunton is that they were aristocrats") from real evidence that the tradition of educational reports and commissions in this country constitutes an aristocratic-gentry ambience for educational decision-making.

51. Ibid. p. 105.
52. In such cases one might conclude that middle-class elements are very much at work in the determination of the curriculum. To become a doctor, engineer or scientist, in this country, ordinarily involves rather early choices of curricular combinations, e.g. sciences from the age of thirteen. One should be wary of drawing mechanistic assumptions, however, for in the United States such curricular choices are much delayed. This variation fortifies the view that there is a partial indeterminacy between the system-parts of an advanced capitalist economy.
53. Thus I simply disagree with Musgrove that the middle class "have always wanted a vocational curriculum". Ibid. p.105. I think it is precisely the middle class who are interested in Shakespeare and Racine, Beethoven and Picasso, and who want their children to study them. Since when did the gentry have much interest in such a culture?

54. O'Keefe, Towards a Socio-Economy of the Curriculum", pp. 103-4. O'Keefe, "Capitalism and Correspondence", pp. 47-50.
55. O'Keefe, "Capitalism and Correspondence", pp. 50-52. Obviously we should be careful here. The high rate of upward social mobility in modern capitalist societies implies that many working-class children do succeed in school. School is one of the avenues of such upward mobility. It is also a commonplace that the children of skilled working-class parents do better than those of unskilled. There is thus an inter-generational effect of human capital formation on educability in the case of skilled, working-class families as well as middle-class families. What may be tentatively suggested is that the working class in general have a highly instrumental approach to schooling and that the discursive attitude to education, viewed as a world to be explored for the intrinsic satisfactions it affords, an attitude typical especially of the new middle classes, is a considerable obstacle to many working-class children.
56. O'Keefe, "Capitalism and Correspondence", pp.50-51.
57. Ibid. p.47.
58. Galbraith, J.K. The New Industrial State, Deutsch 1972, p.71.

59. What we should not lose sight of, especially in the case of Great Britain, is the astonishing size of the public sector. Even if there were a ruling class, based on the private ownership of capital, its rule could be only indirect in relation to this huge public sector. Most of this public sector is strongly classified from the market economy, and is dominated by bureaucratic and managerial élites, dominated that is to say, by the middle classes.
60. Giddens, A. "An anatomy of the British ruling class" in New Society, 4 October 1979, pp.8-10.
61. Bernstein, op. cit. chapters 6 and 8, especially pp.125-9.
62. Ibid. p.97 and p.126.
63. Ibid. p.127.
64. I mean by this the kind of "power relations" explanation of income which we discussed in the chapter on Marxism.
65. Bernstein, op. cit. p.126. This new middle class, says Bernstein, "are caught in a contradiction....A deep-rooted ambivalence is the ambience of this group. On the one hand they stand for variety against inflexibility, expression against repression, the inter-personal against the inter-positional; on the other hand, there is the grim obduracy of the division of labour and of the narrow pathways to its positions of power and prestige."
66. Psacharopoulos, Education and Work, p.43.

67. Characteristic of the finance of much public sectoral activity is a wild oscillation between prodigality and retrenchment purely in terms of directives from the exchequer. The continuous monitoring for efficiency characteristic of private business is simply missing. See O'Keeffe, "Capitalism and Correspondence", p.45.
68. There is, we may note, nothing salutary about waste in itself. For the case for using these techniques in the economic analysis of education, see Blaug, An Introduction to the Economics of Education, pp. pp.120-136.
69. Davies, B. Social Control and Education, Methuen 1976, pp. 68-76.
70. There is clearly a widely understood calculus of the costs and benefits of curricular decisions among older secondary schoolchildren, for example. See Gordon, A. and Williams, G. Attitudes of Fifth and Sixth Formers to School, Work and Higher Education, Institute for Research and Development in Post-Compulsory Education, pp.96-112.
71. Parsons, T. "On the Concept of Political Power" in Bendix, R. and Lipset, S.M. (eds.) Class, Status and Power, Routledge and Kegan Paul 1970, pp.240-265.
72. Althusser in Cosin, op. cit. Education, Structure and Society, p.245.

73. O'Keeffe, "Towards a Socio-Economy of the Curriculum", p. 108. Here I argued that the education system of advanced capitalist society is "socialist". I now prefer "proto-socialist" for reasons I hope will emerge.
74. Hayek von, F. The Road to Serfdom, The University of Chicago Press 1944. Friedman, M. Capitalism and Freedom, The University of Chicago Press 1962, especially chapter 2, "The Role of Government in a Free Society".
75. Gordon and Williams, op. cit.
76. O'Keeffe, "Capitalism and Correspondence", pp.50-52.
77. Ibid. pp.50-52.
78. Rutter, M. et al, Fifteen Thousand Hours: Secondary Schools and their Effects on Children, Open Books 1979.
79. Bernstein, op. cit. p.188.
80. In the case of the 1947 ROSLA the attitude of the bourgeoisie varied between rather mild hostility and general indifference. See O'Keeffe, D.J. "Some Economic Aspects of Raising the School Leaving-Age in England and Wales in 1947" in The Economic History Review, Second Series, Vol. XXVIII, no. 3, August 1975, pp.511-513.
81. I am speaking anecdotally. So far as I know, no proper research was undertaken. However I was teaching in a secondary school at the time, and very few of the people affected by ROSLA seemed to be in favour.

82. Psacharopoulos, Education and Work, p.33.
83. Ibid, p.40.
84. Blaug, An Introduction to the Economics of Education, p.296.
85. Psacharopoulos, Education and Work, p.43. The research referred to here was undertaken in California.
86. I note this only to underline the fact that the state intervenes in the less rather than the more fundamental case. The oddities we take for granted are truly strange. The historical reasons for this selectivity in intervention are immensely complex. It seems to me, however, that an adequate account would involve the following argument as a central thread: in the nineteenth century a "crude socialization" was an indispensable function of education, given a turbulent (because only recently formed) proletariat. Though the issue could not be addressed in the language of modern welfare economics, there was a problem of externalities. The market could not have generated either adequate supply of, or demand for, educational production. Thus the state intervened. In the succeeding period, however, skill-formation has ousted crude socialization as the prime function of education. The social organization of contemporary nationalized education systems, however, results in considerable learning difficulties for many working-class children.

As we shall argue below, a more capitalist educational economy might well enhance working-class educability.

87. Wiles, P.J.D. Economic Institutions Compared, Blackwell 1977, p.468.
88. Thus I am suggesting that the phenomenological view of educability as a socio-historical construct does indeed possess great merit. I hasten to add that I do not believe that educability is entirely socially constructed. I have no patience with sociologistic arguments or indeed any kind of reductionism. The originality (if such it is) of my version of the systematic attenuation of working-class educability through the social organization of school knowledge is that while Marxian phenomenology has insisted that it is the general correspondence between school and the wider economy and society which impairs working-class achievement, I am arguing that the problem lies in the discontinuity (the strong classification and framing) between the educational and market economies. I think that the working classes handle the market economy rather well.
89. O'Keefe, "Capitalism and Correspondence", pp.50-51.
90. Bynner, J. "Deprived Parents" in New Society, 21 February 1974, pp.448-9.
91. Bernstein, op. cit. chapter 5.

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P O S T S C R I P T

We have sought in this thesis to derive the sociological implications of human capital theory. We have done this, generally speaking, not by attempting the wholesale translation of such theory and its many ramifications into the language of sociology, but by bringing the central phenomena which human capital theory tries to conceptualize and explain -- human capital formation and its attendant calculus -- into social theory. We have argued that the Marxist tradition, predicated on the social relations of physical capital, must now be regarded as definitely superceded. This is so not merely on account of the false theory of value on which that tradition is based; some contemporary Marxists are equally willing to admit the falsity of such theory. More importantly, Marxism is capable of only partial explanations of the conflicts of contemporary capitalist society, and incapable of explaining convincingly the consensus which characterizes such society.

By contrast the search for the sources of social integration in advanced capitalist society, a search central

to the Durkheimian-functionalist tradition, can be fortified enormously by the concept "human capital". So also can the Weberian concept of "rationalization" be strengthened, a fortiori, insofar as the idea of human capital formation illumines and extends it.

Thus we have argued that consensus (the functionalist concern) and the structure of voluntarist economic action (the Weberian concern) are intimately related phenomena. Men cohere as they act, and advanced capitalist society is characterized by a huge extension of relatively voluntarist economic action, an extension in which those economic decisions which lead to human capital formation play a signally important role.

Moreover, we have attempted to show that the concept human capital can to some extent be employed to bring all three of Weber's variables of stratification -- class, status and party -- into one analytical net. Status and party can sometimes be numbered among the intangibles which economists claim need to be taken into account when we analyze the "raw" income effects of decisions to engage in human capital formation. In our chapter on socialism we argued that such intangibles are even more important in socialist than in capitalist society.

We have repeatedly stressed that modern industrial capitalism is an unprecedentedly open society, resting more thoroughly than any other large-scale social formation, either historically or actually, on consensus. We admitted,

however, that while the ubiquitous phenomenon of human capital is of crucial significance in this open-ness and in this consensus, at the same time human capital formation can be privatized and lead to closed, semi-corporatist social arrangements. We argued that this is in particular the case with the professions of medicine and law.

Nevertheless we have in general argued that advanced capitalist society is increasingly characterized by the achieved hierarchies of scarcity -- the social relations of the market. Ascriptive hierarchies comparable to those of slavery or feudalism are of dwindling significance in the advanced capitalist world. Neither does this world have any real counterpart to the semi-ascriptive dichotomy between party members and non-members under modern socialism.

The socio-economic uniqueness of the hierarchies of modern capitalism is precisely that they turn fundamentally on scarcity. Characteristic of contemporary Marxist thought is its inability to assimilate theories of scarcity and of power. The trend in Marxist writing is to deny the reality of scarcity as a major determinant, for example, of the pattern of income distribution, and to prefer to identify differential income distribution as resulting from power hierarchies. The proclamation of scarcity is only the ideological mask of power. However, the power theory is weak predictively as we have seen, for in order to explain prices it must be harnessed to notions of supply and demand which in the event can explain such prices independently.

In any case a power theory of profit maximization cannot avoid the logical entailments of neo-classical economics.

We have argued that the reality of the ubiquitous money economy and of the highly developed specialization of labour, is that they create a social world where, confronted with the inexorable fact of scarcity, men can express genuine economic preferences as to the use of scarce resources for consumption, saving and investing. That people do not express these preferences in a world where all men and women have equal access to information, to resources and to decision-making, is clearly true. This consideration, however, does not render illusions such as the abolition of money or the dispensability of hierarchy, anything less than the fantasies which we have insisted that they are. Indeed the partial enactment of these fantasies at different times in socialist society is part of the generally coercive character of such society, torn as it is between genuflections to Marxist soteriology and the relentless imperatives of rationalization. We have seen that socialist society has been quite unable to prevent the emergence of human capital formation and a human capital order.

In the case of the advanced capitalist society itself, we came to spell out the following central and related propositions:

1. Under advanced capitalist society the occupational structure is the main social hierarchy, the main pivot of stratification.
2. This hierarchy is largely consensualized. It is a source of perennial conflict, but in general men accede to it, and internalize the principles of scarcity and of mutual inter-dependence which the hierarchy embodies.
3. The main element in this social hierarchy is differentially distributed human capital formation.
4. The main source of such human capital formation is the education system of advanced capitalist society.
5. The emergence of a complex of voluntarist economic actions, especially vis-a-vis human capital formation, both depends on, and generates, two of the most striking aspects of liberal capitalism: the tendency for the public realm and the private realm to be strongly classified; and the tendency for social consensus to become so influential a source of social control that the apparatus of coercion characteristic of all other major social formations becomes largely redundant. The frames which govern socio-economic decision-making come to be significantly internalized.

In our section on the socio-economy of education we tried to unravel the fascinating implications of the fact that the main agency of human capital formation -- a phenomenon integral to advanced capitalist society -- is

itself mainly a non-capitalist agency. Our conclusion was that while human capital formation is the main economic function of the education system of an advanced liberal society, and while its main, parallel, sociological functions are the socialization of the young and their occupational placement, none of these functions is very efficiently secured.

The strong classification between the educational economy and the market economy tends to desensitize the former to the requirements of the latter. The "nationalization" of the former modifies the organizing principles of cultural transmission and the composition of educational human capital formation. Curricular consumption is encouraged in the case of the successful children while the ability of many, especially working-class children, to engage in educational human capital formation is impaired.

It may be claimed, in fact, that while the human capital stock and the physical capital stock are inter-dependant, that is to say, presuppose each other, yet the economies which create them are not well integrated. Obviously returns are not equalized at the margin, as they would be were the whole economy a purely market economy characterized by perfect knowledge and the absence of any impediments to the rational allocation of resources. It would be absurd to expect the flow of scarce resources into schooling to be an optimal flow. Nevertheless the sensitizing of the educational economy to real scarcities in the market economy

would tend to secure greater efficiency in the use of scarce resources by the education system. It might also, if it improved the educability of many working-class children, serve to increase the socializing force of schooling. It is a repeated theme of this work that active economic decision-making and social control are linked phenomena. A strong a priori case can be made for the view that it is the inadequacy of his exposure to rational economic decision-making at school which alienates the working-class child. It is diminution of the principles of market capitalism in the curricular experience of the working-class child, not the deadly urgency of such principles, which makes it hard for him to succeed educationally. Allowing myself an untypical lapse into policy prescription, I would argue that educationists anxious to improve working-class performance at school, or economists anxious to expand and improve the human capital stock, would be advised to find ways of improving the fit (weakening the classification) between the educational and market economies. Capitalized wage-labour is a sine qua non of advanced liberal society; but the social organization of cultural transmission is such that the capital generating function of the educational economy is gravely impaired.

None of this involves the retraction of my central claim that by all historical and actual comparisons modern liberal capitalism is a brilliant civilization, characterized

by deeply internalized consensus of a markedly tolerant kind, and by generally benign governments. Our condition involves perpetual uncertainties; there are no Utopias, no final safe havens. There will always be injustice and folly in human affairs. The way to remedy these is through open and rational discussion, not through the espousal of the malevolent and intolerant fantasies of Marxism.

We have sought in this thesis to argue that the model of supply and demand, the simplest and most beautiful and elegant model yet evolved by modern social science, possesses an explanatory potential in relation to sociology, almost as compelling as its contribution to economics. We have also argued that the attempt to suppress the forces of supply and demand in advanced society will not only involve a despotic system of government, but will also, pace Orwell's mightmarish animadversions, prove impossible in the long run. We hold that the right to make rational calculations as to the use of their labour is an inalienable right of free men. We hold, against the trend of much contemporary social theory, that our society is not corrupt; that our economy is not predatory; that our institutions are not moribund; and that our civilization is not doomed.

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